No. 30,531

Friday May 6 1988

D 8523 A

World News **Cuba hints** at peace plan for Angola

0

Cuba's representative at four-nation talks about the war in Angola and independence for Namibia raised the prospect of an internationally-gnaranteed

regional peace plan.

The representative, a senior member of Cuba's polithuro, hinted at a superpower pact endorsed by the UN Security Council and proposed a verification process to ensure that Cuba met a commitment to withdraw all its 40,000-strong force from Angola Page 22

Shuttle schedule

survives fuel blast A series of explosions which destroyed a Nevada rocket fuel plant on Wednesday would not delay the launch of the US space shuttle scheduled for May 25,

More than 250 people were injured and one was killed in the blast which raised fresh concern about the accident-prone US space programme. Page 6

Refinery explosion

Notes that Marchael M

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An explosion and fire ripped through an oil refinery at Norco, Louislana, killing one worker, leaving six missing and injuring 42 people. The fire that followed the pre-dawn blast was still burning more than 11 hours later, for-cing the evacuation of 2,800-

Brazil acts on crisis

Brazil's Government planned emergency economic measures and sought backing from state governors for its attempt to rescue the economy from cisis. Page

Airbus shake-up

The Airbus Industrie European aircraft consortium agreed to a shake-up of its management structure and to improve its effi-ciency in response to a critical report from a panel of experts.

PLO consulted

The Association of British Travel Agents said it had discussed plans to hold its anomal conven-tion in Jerusalem with the Pales tine Liberation Organisation.

tradi Gulf raid

large naval target, its term for an late company currently in the oil tanker or large merchant ship, in the Gulf near the Iranian coast. Page 3

Heavy water talks

Norway said it would summon Bonn's ambassador in Oslo to discuss the disappearance of 15 tonnes of heavy water, which can be used in making atomic bombs, after it was sold to a West Ger-

Ecuador poll pact

promised to keep tempers down following three deaths last week. Mntual accusations of violence had punctuated the electoral bat-tle since the first round on Janu-

Booby-trapped toy

An exploding toy killed two children at Characida in Pakistan's North West Frontier Province, the Pakistan Press International news agency reported.

Sri Lanka killings Gunmen from an outlawed Sri Lenkan Marxist group shot dead four people in Kandy province, including two candidates for the ruling party in provincial council

Peak ylewing

from opposite sides.

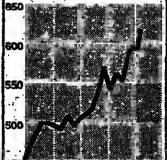
Business Summary Kraft to sell Duracell unit in \$1.8bn deal

KRAFT, US food manufacturing group, is to sell its leading alka-line battery manufacturer, Dura-cell, to the battery company's management and Wall Street investors in a deal worth \$1.8bn.

FORD MOTOR, UK subsidiary of US automotive group, almost tre-bled its pre-tax profits last year and increased its operating prof-its by 555 per cent as part of the dramatic recovery staged by UK motor industry. Page 10

ZINC: London Metal Exchange ainc market tested fresh peaks as prices continued to be buoyed by good demand and falling stocks. The cash position's £11 rise to an

Cash Metal (£ per torne)



1988

18-month high of £615 a tonne extended the latest upward run to five trading days during which 2 £30 gain has been accumulated.

LONDON: Chocolate maker Rowntree saw most activity in an otherwise quiet market as Swiss confectioner Jacoba Snchard declared an increased stake in the company. The FT-SE 100 index lost 5.2 to 1,789.5. Page 42

WALL STREET: The Dow Jones industrial average closed down 16.08 at 2,020.23. Page 46

DOLLAR closed in New York at DM1.6845, Y124.90, SFr1.4050 and PFr5.7325. It closed in London at DM1.6790 : (DM1.68); .. Y124.60 Ffr5.7150 (FFr5.7050). Page 35

STERLING closed in New York at \$1.8610. It closed in London at \$1.8670 (\$1.8645); SFr2.6125 (SFr2.61); FFr10.67 (FFr10.6375); Y232.50 (Y233.00). Page 35

Iraq said its warplanes attacked a ROWNTREE, York-based choco fectionery manufacturing facili-

ties Page 23 GUINNESS PEAT Group, London-based financial services company, has been forced to abandon dans for a demerger after being told by Inland Revenue that it would no longer qualify for tax clearance. Page 23

DREXEL BURNHAM Lambert US securities firm, has stopped Both candidates in Ecuador'a its employees buying significant presidential election campaign portions of junk bond issues promised to keep tempers down the securities are offered to outside investors. Page 26

> BANK LEU, Switzerland's oldes and fifth-largest bank, is negotia-ting a merger with BZ Bank Zur-ich, one of the youngest and most innovative. Page 25

> BANCO SAFRA, one of Brazil's five biggest banking groups, has won a controversial contest for a key stake in Aracruz, country's at and most successful paper and pulp company. Page 23

ROYAL ORDNANCE, British armaments maker, is taking its first step into US manufacturing through a joint explosives ven-ture. Page 6

JARDINE, Hong Kong trading More than 1,200 people, many of bolster its control of Hongaous them children, died in a two-month-old meningitis epidemic erty developer, paying HK\$1.83bn (US\$234.6m) to acquire a further 8 per cent stake from a consortium of local companies. Page 24

A Japanese television crew ALLEGIS has received a takeover broadcast the first live pictures offer from the pilots of its United from the summit of Everest as Airlines subsidiary, large US car-Japanese, Tibetan and Nepali rier, which would be the largest climbers scaled the mountain employee buyout in the US. Page

French diplomats Marcel Carton (left) and Marcel Fontaine (right) and journalist Jean-Paul Kauffmann arrive at Villacoubley airforce base outside Paris yesterday following their release after more than three years' captivity in Beirut

Paris denies ransom paid for hostages

FRENCH Government cal boost for Mr Jacques Chirac, that the Government had acted denied yesterday that it the French Prime Minister, his consistently with "dignity and lic welcome. Mr Charles Pasqua, the Interior Minister, who led the negotiations for the three men's release, said that not a franc,

firmly denied yesterday that it the French Frime Musice, and had paid a ransom for three Government announced the free-French hostages in Belrut on ing of 22 gendarmes and one Wednesday night, but said it magistrate held hostage by Melamight now reopen diplomatic nesian separatists in the French relations with Iran, which is Pacific territory of New Calerelations with Iran, which is claiming credit for their release.

The French hostages returned home yesterday after three years of captivity to an emotional publications with Iran, which is Pacific territory of New Cale-donia. The hostages were freed after an assault by special troops in which 15 Melanesians and two soldiers were killed.

Mr Chirac, greeting the three Lebanon hostages yesterday at a Lebanon hostages yesterday at a military airport near Paris, acknowledged that there would "inevitably be questions or doubts about the process which allowed the return of our companot a dollar" of ransom had been paid to the pro-Iranian, Lebanese kidnappers.

Allowed the return of our compadeanwhile, in a further polititriots." He declared, however,

"Today, more than ever,

France is determined to pursue, with the greatest firmness, the fight against terrorism, he said. The French statements came as Mrs Margaret Thatcher, the British Prime Minister, told the Commons that her Government had received assurances that France had not paid ransom for

Israel's allies dig in after main force withdraws

BY ANDREW WHITLEY IN JERUSALEM

SOUTH LEBANON Army militiamen yesterday demolished the
village of Meidoun, the scene of
bitter fighting on Wednesday
between Israeli troops and Iranian-backed Hizbollah guerrillas,
after the Israelis withdrew from
their largest military operation in
SIA – a mercenary force
the scene of katyusha rocket attacks, But it
also brings with it the heightened
bitter fighting on Wednesday
danger of conflict with the
ment ministers emphasised that
"Operation Law and Order" had
toned in Lebanon's Bekaa valley.
The front-line positions of the
goals. Mr Shimon Peres, the Foreign Minister, described it as a
mercenary force
the scene of the strate of the scene of the s

of Ain el-Tine. Several more suspected guerrillas were killed when an Israeli-supplied SLA tank opened fire on a passing car. themselves in a region previously under the sway of the Hizbollah

This may provide some temporary relief for Israel's northern border, subject lately to sharply Israeli newspaper, he warned:

houses in the former Shia only three miles apart. Nor have To forestall a fresh flare-up in the fighting, Israeli air cover was being provided yesterday to the allies in sensitive positions demolition squads in Meidoun.

As israeli troops completed Major-General Yosst Peled, purposes their withdrawal, their local sur- Israel'a northern region com- restraint. mander, said yesterday that Illustrating the continuing Israel's three-day operation in instability of the region, three Lebanon – in which 40 guerrillas Katyusha rockets landed yester-and three Israeli soldiers were day within the Israeli-declared rogates were busy consolidating mander, said yesterday that killed - was a success.

southern Lebanon in three years. trained, financed and equipped preventive action, while Mr Yit-Reports from the area said the by Israel – and of the Syrians, in zhak Rabin, the Defence Minister, militiamen bulldozed about 60 the town of Machgara, are now noted the extent of previous cooperation in cross-border guerextremist stronghold as Hizbol-the Hizbollah fighters, many of rilla raids into Israel between lah (Party of God) fighters whom took to the hills on Tues-watched from the nearby village day, been driven from the area.

Israeli military "advisers" are usually present with their militia partly for intelligence gathering purposes, and partly to act as a

tilled – was a success. "security zone" near the border. However, in comments to an Israel tightens economic sanc-

Airbus sets shake-up deadline

BY DAVID MARSH IN HANOVER

European airliner maker. to improve the four-nation con-sortium's efficiency and its abil-

industrial shareholders had been in charge of long-term strategy is to be reduced to a chair-man – Mr Franz Josef Strauss, the Bavarian Prime Minister - and four other members. These will be the chairmen of the partner companies. Aerospatiale

Spain.

A SLIMMED and strengthened The present supervisory board ganisation changes suggested by management structure is to be has 17 shareholder represents a panel of "wise men" from partput into place by January 1 next tives, plus Mr Strauss as chairner countries had been endorsed by the industrial shareholders.

Mr Erich Riedl, the state secre The moves, agreed yesterday at tary in the Bonn Economics Minameting of the governments istry responsible for aerospace. backing the Airbus project, aim who chaired yesterday's meeting, to improve the four-nation conunderlined that the 72-year-old sortium's efficiency and its abil-Mr Strauss would be staying on. ity to compete with Boeing of the It appears, however, that his tenwill not be indefinite and Ministers and officials from the four countries - France, West Germany, Britain and Spain - said after the meeting at the Hanover air show that Airbus'a and energy to the job. and energy to the job. A seven-member Airbus Indus-

asked to start work on the restructuring "without delay."

A seven-memoer Airbus industries to be set, with a strengthened position compared with the present 12strong management committee, at the Airbus headquarters in Toulouse, France. The new team will include a powerful finance director able to examine fully, and control Airbus-related costs of partner companies. of France, Messerschmitt-Bölkow-Blohm of West Germany.

Mr Riedl said the changes were necessary to adapt Airbus for the future. He was pleased that reor-

Mr Jacques Douffiagues, the French Transport Minister, called the reforms "indispensible but not sufficient" to give a full industrial dimension to Airbus.

Mr Kenneth Clarke, the British Industry Minister, said reorgani-sation took account of the coming to maturity of the Airbus group and the need for a unified European market from 1992.

Ministers yesterday also examined progress on possible airliner development co-operation with McDonnell Douglas of the US. Mr Jean Pierson, the Airbus Indus-trie president, will hold further talks on June 2 with Mr John McDonnell of the US group. Decisions on the person

the new management structure will be made in the autumn after the next Airbus ministers' meet-

Moscow seeks co-operation,

Technology: ICI improves the image of its

Management Insuring for the future - desk

Higher stake in **Montedison** for Dow **Chemical**

By James Buchan in New York and Alan Friedman in Milan

DOW CHRMICAL of the US said yesterday it had bought between 4 per cent and 5 per cent of Montedison of Italy and might increase its holding in

might increase its holding in an attempt to become a significant force in a restructured Italian chemicals industry.

Dow, which surprised the world industry last month by announcing it had bought stock for investment purposes in Montedison, said yesterday that it was filing with US antitrust authorities to buy more Montedison shares. Dow said the filing was required under the Hart-Scott-Rodino Act if the investment is to be other than passive.

than passive.

Yesterday'a announcement came as Montedison, which has sales of about \$11bn, prepared to hold talks with the Italian state-owned Enichem group on what could be a far-reaching joint venture in chemicals. Dow said yesterday:
"The holding will allow us to participate in discussions on the restructuring of the Italian industry. These talks might

industry. These talks might lead to a change in our intent toward Montedison."

Yesterday'a filing marks a pronounced change of tone at the second-largest US chemicals company, which enjoys sales of more than \$13hn including \$800m from business in Italy. Dow had said last month that the Montedison month that the Montedison stock was for its "investment

In Milan yesterday, the fil-ing was interpeted as a hostile move by analysts and sources in Montedison. Montedison executives assume that Dow wants to build a stake of about vants to boing a stake of about 10 per cent, at a current cost of around \$240m, to create, according to one Montedison executive, "the pre-conditions for opening an industrial-based discussion."

The Dow move cast a shadow just as Mr Alexander Giacco, Montedison's newly appointed American chief executive, sat down with Mr Lorenzo director of Ruichem, for talks aimed at signing a letter of intent to create a joint Italian Mr Giacco is offering to transfer Montedison's basic

chemicals, fibres and fertiliser operations to the new joint company. Montedison, 42 per cent owned by Mr Raul Gardini's Ferruzzi group, also intends to transfer some of its debt to the new company.

Polish police storm factory, arrest strikers

BY CHRISTOPHER BOBINSKI IN WARSAW AND QUENTIN PEEL IN MOSCOW

SEVERAL THOUSAND Polish "ruining the possibility of logical riot police yesterday stormed the and necessary solutions."

Lenin steelworks in Krakow and Mr Jerzy Urban, the Governarrested many of the leaders of a ment spokesman, defended the nine-day-old strike.

Mr Lech Walesa, under siege in economic reforms would con-the Gdansk shipyard along 3,000 tinue. workers, said he was sure the The police action failed to authorities also planned to use force against the yard. spark significant nnrest else-where, although students at War-

Police used concussion gre- saw University went ahead with Police used concussion grenades and batons in their predawn assault on the Krakow factory. The authorities said 38 people were detained and that work
at the plant had resumed. Witnesses reported more than 12
in Warsaw yesterday, Mr
Alfred Miodowicz, the head of the
injuries.

In Warsaw yesterday, Mr
Alfred Miodowicz, the head of the
official union, failed to condemn
the use of violence against the
text in the second state of the sec

House criticised the use of force strikers. against workers but indicated He wa against workers but indicated He was speaking at a press that the Polish labour unrest conference called by the new would not have "serious detri-unions to protest against Governwould not have "serious detrimental effects" on the US-Soviet summit which starts in Moscow on May 29.

Mr Marlin Fitzwater, the White House spokesman, said:

"We deplore the reported "we deplore the reported "we deplore the reported "see of measures which are to be

House spokesman, said:
"We deplore the reported actions of last night and strongly actions of last night and strongly age of measures which are to be urge the government of Poland to approved by parliament on begin a productive dialogue with Wednesday. all segments of Polish society, including (the banned trade union) Solidarity."

Mr Walesa, the Solidarity controlling inflation, in effect

eader, sent a message from the give the anthorities arbitrary besieged Gdansk shipyard, which powers to override company is being occupted in protest management decisions. Moscow reacted with extreme down temporarily, saying be would be the last to leave. Poland, insisting that it had no He said that by using force in krakow, the authorities were to override company to override company to override company to override company that is override company that is

China to subsidise urban consumers BY ROBERT THOMSON IN PEKING

campaign to increase vegetable and non-staple food production, and push prices down, by allowing the market to set prices in despite the new programme, fac-urban areas while subsidising tional friction in the party is residents on a monthly basis to offset the inevitable initial In the first quarter of this year, ncreases.

Urban residents will be given up to 10 yuan (\$2.70) a month to cover the expected higher prices of vegetables, pork, eggs and sugar, the State Administration for Commodity Prices announced - the exact amount of the subsidy will vary from city to city.

The move was foreshadowed by the Government and several cities have already introduced

CHINA will embark on a bold artificially low. But diplomats are surprised that the system will be introduced at a time of fast-rising prices. If prices continue to rise

prices in large cities of non-staple foods rose 24.4 per cent, with vegetable prices increasing 48.4 per cent, causing widespread plaints from people living in

The Government wants inflation this year to be less than 10 per cent, but increases in non-staple food prices indicate that the target figure is in danger of being left far behind.

tha consumer subsidies, which China after the National People's replace subsidies keeping prices . Congress, Page 4 Congress, Page 4

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Rome struggles to

sides over Finsider

ITALY'S INDUSTRY Minister, Mr Adolfo Battaglia, yesterday industries to the areas which will sought to inject new urgency into the slow-moving attempt to build a broad consensus over restruct-

Finsider, the state-owned steel holding company, on the suspicion that the loss-making concern is being directly subsidised in breach of the Rome Treaty.

Rrussels is also pressing hard for immediate details of Finsider's recovery plan, adopted more than two months ago but still awaiting government approval. For its part, the Government is waiting for a parliamentary opinion.

The Commission's patience is clearly running out over likely's feature to answer leading questions about Finsider's financing and restructuring. The company since the beginning of 1988 and this has been financed by loans from publicly-owned banks and by borrowings abroad guaranteed by IRL.

For the moment, Italy is company in the fact that these

mentary opinion.

Mr Battagtia yesterday warned Parliament's Committee on Productive Activities that unless litaly could forward details of an agreed plan well before EC industry ministers meet on June 10, the remaining quotas on the production of some flat products could be lifted.

A return to free-market and testing the fact that these amount to direct government subsidies, a position which can only be sustained if IRI carries all Finsider losses on its balance sheet without recourse to the Government for freesh capital.

The Commission is also dubious about Finsider's request for 16,500bn to wipe out its existing

ing exhaustive hearings in Italy and with foreign steelmakers before coming to a final judgment on the Finsider plan.

Under strong trade union pressing the revenues.

Finsider's general meeting will be asked next Tuesday to endorse a voluntary liquidation plan out of which the group would be

sure, it has been reluctant to give divided into two parts: one potenta verdict before IRI, Finsider's parent company, and the Governhead potentially profitable and the other ment have put together a "credi- for closure or sale.

ing a L1.200bm (Ex. ba) fund over three years for reindustrialisa-tion, but the unions are pressing

for something more concrete, and for clear decisions on plant clo-sures. Their strongest focus is on the 3,500 jobs threatened at Bag-noll in Naples where local resis-tance to Finalder hints of possible

16.500bn to wipe out its existing debts so that its potentially profitable activities can be freed from

the burden of repayments which

equal about 17 per cent of its

closure is strongest.
The Commission's patien

satisfy all

the slow-moving attempt to build a broad consensus over restruct-uring the national steel industry,

following the European Commis-sion's threat of formal legal pro-ceedings against the Italian Gov-ernment for providing illegal

The Commission has given Rome a month to provide full details of last year's financing of Finsider, the state-owned steel

holding company, on the suspi-cion that the loss-making con-cern is being directly subsidised in breach of the Rome Treaty.

A return to free-market condi-tions is regarded in Italy as a potential disaster for Finsider. The committee has been hold-

No.

Our Foreign Staff examine the background to the freeing of the three Frenchmen held in Lebanon

Questions surround Syria's role in hostages' release

thanked the Iranian Government for its role in securing the releas of the three French hostages, and said the re-establishment of nor-mal relations could now be con-

But Mr Chirac also thanked Syria's President Hafez al-Assad for "his personal action and the interest he has taken in finding a solution to this painful affair."

The message surprised Middle Eastern specialists in Paris, who believe that Syria had otherwise been excluded totally from the negotiations. In some earlier cases hostages released in Beirut had travelled back to France via Damascus, but observers say that for almost two years now France has negotiated almost exclusively with Iran, rather than Syria.

The exclusion of Syria from the negotiations is also thought to have contributed to the dispute which prompted the French Government earlier this week to expel Mr Omrane Adham, a Syr-

Chirac, ranging from the payment of FFr200m (£18.7m) to Mr Jean-Marie Le Pen in return for been: the support of his voters in the second round of the French presimatic relations, broken off last government officials.

Pöhl draws

EMS role

THE West German Bundesbank' will not accept further obliga-tions to intervene within the European Monetary System, Mr Karl Otto Pöhl, the bank's presi-

dent, said yesterday, Reuter reports from Frankfurt.

Addressing a news conference as the D-Mark was fixed at an

eight-week high against the French franc, he said that central banks participating in the EMS

exchange rate mechanism were bound by treaty to intervene if

their currencies reached their

ceiling or floor against other cur-

ment to facilitate "intramar-ginal" intervention, when curren-cies' values are inside their

limits, did not involve any new ohligations, he said. "This so-called intramarginal interven-

tion is not laid down hy treaty... There is no obligation to intervene intramarginally," Mr

Pôhl said. France, in particular, has

favoured increased intramarginal intervention to take pressure off

line on

Although Mr Adham's credibil-

Although Mr Adham's credibility, and particularly his closeness to President Assad, has often been put into question, some observers believe the al Haqiqa article, which sharply criticises Mr Chirac's behaviour in the hostage negotiations, may partially reflect Syrian irritation with

In an interview with the Associated Press in Geneva yesterday, Mr Adham said the French Press-Mr Adham said the French President had asked him to mediate in March 1986. He also claimed to have travelled to Damascus on March 9 of this year as part of an "remained absolutely faithful to official French delegation including Mr Jean-Charles Marchiani, who was entrusted with bostage negotiations by Mr Charles Pasqua, the French Interior Minister.

No details concerned vertically.

on the Gulf war.

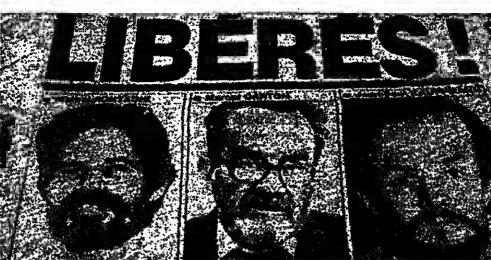
MR JACQUES CHIRAC, the dential election, to the transfer of summer after a dispute over the French Prime Minister, yesterday arms to Iran through two bogus, status of an Iranian interpreter, bombings in Paris in 1986. A revival of French oil purchases

> • The settlement of the disputed \$1bn loan made by the ex-France's decision to deal with revolution when Iran stopped fran. It has also been suggested payments on a nuclear that Mr Adham was increased. that Mr Adham was involved in struction contract. Two repayseparate hostage negotiations ments have already been made, involving President Francois Mitterrand. Official negotiations on the rest of the loan, around \$330m, are expected to take place soon.

expel Mr Omrane Adnam, a Syrtan businessman who has been involved in some past negotiations over the hostages.

Mr Adham was accused of being the source of a lengthy article in the Beirot newspaper allocite in the Beirot newspaper n the Guif war.

Suggestions that a cash ranThe main tranian claims have som had been paid to the Lebanese kidnappers themselves were



However, observers in Beirut the French presidential election and elsewhere are convinced that last month, the kidnappers had a ransom to the kidnappers reneged and demanded an addiwould also have been tovolved. Mr Adham said: "There were presents for everybody."

But the French presidential election and elsewhere had been tovolved. Hizbollah (Party of God) organization to Beirut.

Well-informed Moslem observers to West Beirut said on Tuesday that Mr Marchiani had negotiated a deai with the hostage-takers several weeks ago for the release of the three Frenchmen in exchange for the payment of FFrisom to Iran, together with the supply of weapone and space paying to Iran, and space and space paying to Iran, with the supply of weapone and space paying to Iran, with the supply of weapone and space paying to Iran, with the supply of weapone and space paying to Iran, with the supply of weapone and space paying the Iran with the supply of weapone and space paying the Iran with the supply of weapone and space paying the Iran with the supply of weapone and space an ons and spare parts to Iran via a

Despite the official denials in the French capital, Shia security officials in Beirut confirmed yes-terday that the extra FFriûm had come through to the captors at the last minute. It seems clear that the kidnappers chose the timing of the release to ensure maximum impact in favour of the candidate who they thought could best deliver on their demands after Sunday's French presidential election.

Prospects bleak for captives

WITH THE release of the three French hostages in Lebanon — apparently after a deal by the French Government — the prospects for the 20 or more other foreigners still in captivity look bleaker than ever.

A bewildering variety of groups has taken hostages, and an overwhelming majority of hostages still being held come from countries whose governments at least officially refuse to do deals with terroriets.

Westerners still missing are: British/irish — Alec Collett (kidnapped May 1985, pre-sumed dead); John McCarthy (kidnapped April 1986); Brian Keenan (April 1986); Terry Waite (January 1987).

American – Terry Anderson (March 1985); Thomas Suther-land (June 1985); Farek Warch (June 1986); Frank Eced, Joseph Ciccipio (September 1986); Edward Tracy (October 1986); Alan Steen, John Turner, Robert Polehill, Mithi-leshwar Singh (January 1987); Col William Higgins (February 1987).

Cordes (January 1987). Italian - Alberto Molinari September 1985)

An unquantifiable numbe

of Lebanese and other Arab nationals has also disappeared in Lebanon in recent years.

Structural change urged on Portugal

STRUCTURAL adjustments in the Portuguese economy have become increasingly urgent as a result of entry into the European Community, according to the Organisation for Economic Co-op-

eration and Development.
To improve its international competitiveness, Portugal must work towards bringing down the inflation rate and keeping it at levels prevailing in other Euro-pean countries, the OECD says in

its annual report on the country's economy, published today. Although inflation has fallen from above 25 per cent in 1983 and 1984 to 9.5 per cent last year, the rate is still about 5 percentage points higher than the West-

ern European average. Wage moderation must thus remain an essential component of economic policy, says the report, acknowledging that this may be more difficult to implement than in the past two years. After rising by 17 per cent in 1986, nominal wages rose 12 per cent last year. However, implementation of an incomes policy was made easier by a substantial growth in real wages and by the payment of pay

for advocates general to back up the new court's jndges. Most term impact on prices and short-term impact on prices and see anti-dumping cases in the junior court.

The plan should receive its first debate at ministerial level and in the European Parliament to June, following which the new tribunal could be given the tive use. It also urges that invest-ment funds be concentrated in areas where returns are the high-

But the report also notes the significant improvement Portugal has achieved in economic perfor-mance since 1985, with stronger growth reducing unemployment, the reduction in inflation, and a current external surplus which has enabled some net repayment of external debt.

However, it warns that this improvement is in large measure

Portugat cut its key interest rates by up to one percentage point yesterday in an attempt to ease credit and stimulate from Lisbon. The reduction, the second this year, takes effect today. The maximum interest rate on loans drops from 18 per cent to 17 per cent, while the minimum interest for deposits was cut to 13 per cent from 13.5 per cent. Inter-est rates were running at 25-30 per cent three years ago.

the result of special factors and policies which cannot be repeated

The report forecasts GDP growth of 4 per cent this year and 3.25 per cent next year, after 5 per cent last year. Stimulated by tax incentives and EC trans-fers, investment is expected to continue to increase at a rate of more than 9 per cent this year. Consumer price inflation is fore-cast to decline from 9.5 per cent last year to 6.5 per cent this year

and 5.75 per cent in 1989. The OECD figures also expect the trade deficit to increase from \$8.2bn last year to \$4.5bn this year and \$5.5bn next year. After a surplus of \$700m last year, the current account is expected to show a deficit of \$100m this year,

Death toll raises doubts about New Caledonia assault



Mr Chirac (left) is brought news of the release by one of his ministers, Mr Philippe Seguin

FRENCH SPECIAL troops yesterday freed the 23 hostages held by Melanesian independence fighters in the French Pacific territory of New Caledonia. While most French politicians welcomed the news, questions were raised in many quarters about an operation which cost 17 lives. The dawn assault left 15 Melanesian rebels and two French soldiers dead after the battle on the island of Onvéa, off the coast of

island of Ouvéa, off the coast of the main island of New Cale-

Mr Bernard Pons, Minister for is only one way to of the French Overseas Territories, rorists, and that is a called the incident "an affair of in Ouvea," he said. honour which concerned the state, the honour of the French army and the honour of the gen-darmerie," while Mr Jacques Chi-

receiving money from the Regional Fund and from the European Investment Bank.

From next January, this surveillance is to be extended to projects which benefit from the Social Fund, the Agriculture Guidance Fund, Euratom and the Coal and Steel Authority.

Some of the monitoring will be shifted on to national gov-

be shifted on to national governments, which will be required to vouch for the veracity of the data their local authorities give Brussels.

The Commission also decided this week that it

would give preference to any

public procurement in energy, telecommunications, water

Brussels keeps sharp eye

on how aid funds spent

BY DAVID BUCHAN IN BRUSSELS

THE EUROPEAN Commission is to try harder to ensure that its newly-increased regional, social and industrial aid pro-

grammes do not go to finance public procurement which is

less open than EC directives

The move is part of the Com-mission's push to open public markets to competition, and follows the decision by EC

heads of government virtually to double the size of so-called "structural funds" from Ecu7.4bm (£4.9bm) this year to

EC governments have agreed that public works contracts

worth more than Eculm, and (from the start of next year)

public supply contracts worth more than Ecu200,000, should

be openly advertised. But such directives have been widely

Ecu13bn (£8.6bn) in 1992.

with the negotiations on the hostages in Lebanon, which he called a defeat for France. "There is movement, in New Zealand. is only one way to deal with terrorists, and that is the way used in Ouvee," he said.

Mr Pons said there were still appeared by the called a said there were still appeared by the said.

darmerie," while Mr Jacques Chirac, the Prime Minister, sent
"warm congratulations".

However, Mr Pierre Beregovoy,
campaign manager for President
François Mitterrand, Mr Chirac's
opponent in Sunday's second
round of the presidential election, said he would have pre
odite post on Ouvea on the ever Front de Liberation National
rections. They killed
massacre of Ouvea would reinforce the determination of the
Kanak people," and called on its
supporters to step up their activities in the face of "the new chalties in the face of "the new chalties in the face of "the new chal-

The slege had lested for two around 10 armed bands in the weeks, since a group of Melane territory, and demanded the dissian activists had attacked a solution of the pro-independence police post on Ouvea on the eve Front de Liberation National

Commission supports junior branch of European Court to ease case burden

BY WILLIAM DAWKINS IN BRUSSELS

FLANS TO open a junior branch of the European Court of Justice to ease its growing workload have won the broad support of the Enropean Commission, though the latter is anxious to keep a tighter rein on its powers than the court would like.

The scheme was put forward of cases brought before it has ally more than a third of the full court should only be passible on a point of law. It would take on around 150 cases annually more than a third of the full court should only be passible on a point of law. It would take on around 150 cases annually more than a third of the full. concerned, public authorities, play by the rules.
At present, the Commission only monitors the contractual behaviour of public authorities

The scheme was put forward by the Luxembourg court last September as a way of easing its 18-month logism of cases, caused largely by a growing number of appeals against EC anti-dumping duties and competition decisions. But the Commission said yes-terday that the junior court should not tackle anti-dumping

cases, as proposed by Luxem-bourg, because this could increase the likelihood of compa-nies appealing and so worsen the

Officials added that case law was poorly established in this rel-by seven judges, split into two atively new area of legal dispute, tribunals, and to tackle competimaking it too sensitive to pass on

By the end of last year, 527 cases were pending in the European Court, the highest legal authority in the EC. The number of cases brought before it has mushroomed from 135 in 1975 to of cases brought before it has mushroomed from 135 in 1975 to 335 last year, with the time taken to get a judgment rising from six months to 18 over the same period. Lawyers believe the demands on the already overworked court are bound to become even heavier in the runup to 1992, especially if EC member states accept Commission would rather ingly supported by most EC governments except for France, which has not yet made up its mind on the plan and may ask mind on the plan and sion plans for a cross-frontier merger control regulation.

Luxembourg would like the new tribunal, to be called the Court of First Instance, to be run

making it too sensitive to pass on tion cases, and EC institutions' to June, following which the new to the junior court. Almost every staff disputes as well as anti-tribunal could be given the Commission decision to impose dumping. The main court has 13 go-ahead by the end of the year.

ignored in the past, and the Commission is now trying to make sure that at least where and transport that was opened to Community-wide competi-tive bidding. its own increased funds are Schleswig-Holstein branches out towards the east

intervention to take pressure of currencies gently, rather than waiting for speculative pressures to build up, forcing currencies to their EMS limits.

But Mr Pöhl said the Bundesbank's existing EMS obligations, plus its understandings with the US, already involved the bank in and stylishly suited. He sucks the Bonn government's 1990 are of five pipes.



mann, the state's present Justice Minister. He looks like cannon fodder for an all-conquering Mr Engholm.
The SPD candidate says he respects Mr Hoffmann as a man

who wants to make a new start for the Christian Democrats. He concentrates his fire on Mr Gerhard Stoltenherg, the Bonn Finance Minister and long-time Schleswig-Holstein CDU chairman, who, Mr Engholm says, was remiss in not apologising straight away for Mr Barschel's misdeanours last autumn The SPD was already established as the strongest party in the state parliament in last Sep-tember's poll, although it was

denied an outright win by an alli-ance between the CDU and the liberal Free Democratic Party ance between the CDU and the liberal Free Democratic Party (FDP). Mr Engholm's ability to build on his already high popularity and capture additional sympathy votes has dona the rest. Some of Mr Kohl's closest

Minister

There are other things in life.

There are other things in life.

His prime wish is to play the plane will he has a penchant for collecting art and penchant for collecting art and would also fancy the job of responsibility for cultural activities in long hold over that state was ir nearing an end. In a sense, this amounted to a back-handed compliment for his party. — "The (and his artist wife) to retire from a safety grounds at least the oldest safety grounds at least the oldest of the state's three nuclear power. mans for Byzantine political intrigue, nine books have been published on the Barschel affair. The CDU has put up one of the mildest possible candidates in the apologetic form of Mr Heiko Hoffstations in no way detracts from his efforts to attract modern industries to the north.

industries to the north.

"Nuclear energy is not future-oriented," he says.

Continuing the efforts of Mr Barschel, he is bidding to hring to Schleswig-Holstein a new EC-backed electronic chip project, involving Siemens and Philips.

This would greate sayard han

rest. Some of Mr Kohi's closest advisers were saying in private months ago that the CDU's chances in Schleswig-Holstein were buried along with Mr Bar. In the chance of the chances in Schleswig-Holstein in the had a junior post as Education

PINANCIAL TIMES

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BY ANDREW WHITLEY IN JERUSALEIN

THE ISRAELI inflitary authorities yesterday ordered all shops, petrol stations and markets in the occupied West Bank to close for three days, to Saturday night. The imprecedented step is intended to punish Palestinians ling residents to replace their old identity cards with new docustrike on Wednesday, security officials said in particular, it will from a series of government officials said in particular, it will from a series of government shoppers from preparing for the traditional feast of ld alphanetric from the gun of her own pritt, marking the end of the fasting month of Ramadan, this

and electricity supplies, for example, were cut off from a villager play sanctioned by tha army, near Bethlehem after villagers about 1,000 Jewish settlers marched past the semi-destroyed West Bank village of Betiz where a teenage Jewish girl was killed amouth ago. The march was said to be to commemorate the traditional 30th day of mourning, but if also carried wider political significance. The girl was killed by a bullet from the gun of her own rity service.

As the five-month-old conflict

Fitt, marking the end of the fasting month of Ramadan, this weekend.

As the five-month-old conflict sputters along wearlly, the casulative have by no means come to break the repeated commercial amend. Over the past time days strikes disrupting life in the West alone, as attention focused on the Bank, Gaza Strip and East Jerosalem, the authorities are resort lebanon, five more Palestinians increasingly to economic and administrative sanctions. Water but the sputters along wearlly, the casulative have by no means come to amend. Over the past time days are little in the gun of her own adult escort, a militantly anti-hard settler still critically ill in hospital after the incident. However, Israeli police are currently preparing charges against a Palestinian woman resident of Beita on the grounds that a stone she allegedly threw was indinced in the second properties.

Afghans wait for return of Islamic rule

INSIDE Afghanistan the appearance of Russian soldiers no longer means an automatic dive for cover. Instead, those Afghans with anything left hide away their valuables.

For the Russians are retreating, filling their begs as they go with as many Afghan rugs, electrical goods and items of lands lazuli jewellery as they can carry. They leave behind them a mass of devastation, as though a giant has trampled across the land. The Afghans living among the ruins have little faith in the abil-

ity of the resistance leaders to put Afghanistan back together again.
"While they've been sitting squabbling to their fine houses in Peshawar, we've been suffering. complained one. While the West Panjshir who control vast areas, debates how, when or even particularly in the north. whether the estimated 5m refu-

Furat Petroleum company, part-

Christina Lamb reports on the outlook as the Russians withdraw

gees will go back and what kind of government they would like to see, the 10m Afghans who have lived out the war inside the coun-

college-educated, unusual in a ple and we control the land - the land with 85 per cent illiteracy, and often ex-army men who leaders can tell us nothing."

This is starting to worry ambitious characters like Gulbuddin Russians they have since been fighting. While the party leaders quarrel among themselves in Peshawar, these men have been retain the commanders' loyalted in the west. trying to create some semblance only for as long as he can provide orphaned or disabled in the war. of civil administration in major the next Stinger.

heddin controlled areas, setting Until now there

try have little doubt.

Consequency, instance large is anyone to become the undisputed leader, he must have earned his laurels on the battle ground. This villager is one of many people who believe that the ground future of Afghanistan lies with many people who believe that the ground future of Afghanistan lies with many people who believe that the ground future of Afghanistan lies with many people who believe that the ground future of Afghanistan lies with many people who believe that the ground future of Afghanistan lies with many people who believe that the ground future of Afghanistan lies with who controls the large eastern has sond, the famed Lion of province of Paktika, explained:

Akmal and the other commanders were quite clear what they were fighting for: The most important criterion for a future

To seek a suitable location near the border for the resistance parties to set up an toterim government, and was obviously frustitated by the failure of the alliance to reach agreement.

Akmal and the other commanders were quite clear what they were fighting for: The most important criterion for a future

Then you want your reward."

Until now there has been no

There is also certain to be conflict between those who fought up schools and in one case even a outright conflict between the for the cause and the more afflu-local postal system.

South Korea's Catholics fight the good fight for democracy BY MAGGIE FORD IN SECUL KOREAN Roman Catholics have edly asked the Government of Mr. Church groups have produced a major problem when trying to worship in Secul Roh Tae Woo how long it would number of detailed reports alleg onstream some of its newly-discathedral – the strong likelihood be before political prisoners, who

cathedral – the strong likelihood be before political prisoners, who that they would be tear gassed on number at least 500, would be the way into church or on the released. He questioned whether political forture had truly ended.

But that has not stopped the religion from gathering strength in South Korea to about 2.5m believers. Added to the Protestant churches the number of Christians in the country has Carter's Administration.

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poor people who have suffered receive his award, but Seoul had discrimination and frequently also refused to allow his wife to gone to jail themselves for their travel to Washington for the

INFORMATION POWER FOR PROPLE - INFORMATION POWER FOR DATACENTEES - INFORMATION POWER FOR SYSTEMS - INFORMATION POWER FOR MICROS - INFORMATION FOWER FOR PEOPLE - INFORMATION POWER FOR DATACENTARS

support for democracy.

But until this week the Catholic church had officially Gm, the dissident's wife and herrestricted its comments on poliself now an activist, recalled that
tics to calls for moderation by the
her husband had been tortured in
the same roller building where a Although the more prince posting speech, Ms in Jac

In a moving speech, Ms in Jac

Gun, the dissident's wife and herself now an activist, recalled that sphere in South Korea, there is the hurshand had been tortured in the same police building where a student had died last year of suffication while being questioned borders, workers in small the student's death contributed strongly to public anger against the Government which led to several many streets in the distributed strongly to public anger against the Government which led to several many streets in the churches is itself evidence of the churches is Government. Now, with the decision by Cardinal Kim Su Hwan to student had died last year of sufcriticise the Government's focation while being questioned human rights policy, the church The student's death contributed human rights policy, the church The student's death contributed may start to play a more public strongly to public enger against rural poor.

The student's death contributed sweatshop businesses and the strongly to public enger against rural poor.

Secol's cathedral is therefore likely to remain a sanctuary for those escaping the authorities and a focus for riot police wishing term civilian debt stood at a relatively modest \$2.50m at the of the Robert Kennedy human US to democracy in South Korea, rights award to a tortured labour especially after the Presidential to come.

Carter's Administration.

Carter's Administration.

Ms Derian said that there was as many as the Buddhists, the other main religion.

For years Catholic and Protest but questioned the reality of the tant ministers, priests and mans have led protests against authoritarian rule, helped workers and diagrifunt at the country has change who have suffered diagrifunt at the country has considered around 10m, almost Ms Derian said that there was much talk in the US about a but questioned the reality of the liberty.

Edward Rennedy praised Mr Kim Young Sam and the Cardinary, found that Syria's foreign nal as founding fathers of Rorean liberty.

The high profile ceremony at Second at between \$10m and \$20m, harely enough to cover on a bility that both Catholic and week's imports.

ing election fraud.

ing election fraud.

Mr Kim and his wife were nominated for the award by Mr Kim Dae Jung,the new chief opposition leader, a Catholic who has long suffered for his own support

Protestant churches will try to play a stronger role in South Korea from now on. Although the more public pos-

Tony Walker reports that Damascus is

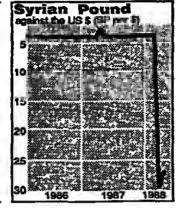
pinning its hopes on the development of new oil wells for the revival of covered wells more than six months shead of schedule. its sagging economy The Syrian leader's personal intervention is revealing of the Government's high expectations

for the oil sector as a source of of buman rights. In a strong desperately-needed hard currency speech delivered at the US presentation of the award, Senator bankrupt.

Gloomy picture The IMF painted a generally

available on Syria's military debt cuts to the Soviet Union — it is being

Syrians themselves, who privately make no secret of their tem, conditioned by two decades dismay at the dreadful state of the economy - inflation is running at more than 100 per cent, in the Government such as Dr. Mahammad at Imadi the Rome. basic items such as lavatory Mohammed al Imadi, the Econpaper are scarce and the value of omy lithe Syrian pound has plunged - trated. year and the prospects of



were equivalent to \$4bn, the IMF twice the annual average rainfall eported. in the first three months of the No completely reliable data are year - is that almost daily power

omy Minister, are often frus-Limited attempts at liberalisa-

which hotel bills are paid by for-that some Syrian officials may be eigners) is S£11.25 to the dollar. expecting. On the black market the dollar. The most optimistic assesshas been bringing between S£50 ments suggest Syria will be earn-and S£60. This marks a depreciating between \$500m and \$800m tion of about 100 per cent in the from oil sales by the end of 1989.

Syrians is the expense of occupy\$18 per barrel and on the Syrians ing parts of Lebanon, including continuing to receive about 1m maintaining a garrison of about tonnes annually of "free" oil from 17,000 troops in West Beirut. This Iran, Syria is currently running a is estimated to be costing \$1m a small surplus of about \$150m on day. Syrians, who see Lebanon as its oil trading account. a land of plenty and source of cuts have stopped for the time expensive smuggled goods, ask

eastern sector, not far from the Iraqi border.

Al-Furat Petroleum Company, development in Syria, joint venture of the Syrian All this activity and Petroleum Company and a for-eign consortium led by Royal Dutch/Shell with Pecten, its US hard-pressed economy, has tion, such as a relaxation of subsidiary, and Deminex of West encouraged faint glimmers of restrictions on allocations of for- Germany, is producing about optimism in Damascus that the External medium— and increased oil revenues will restrictions on allocations of for- increased oil revenues will restrict on the country's fortunes, which had accelerated in the country's fortunes, which had accelerated in the country's fortunes, which had accelerated in the part of the fortunes, which had accelerated in the country's fortunes, which had accelerated in the countr

Glimmer of hope for hard-pressed Syrians strained by a web of rules and regulations.

The rspid depreciation in the value of the Syrien pound reveals the weakness of the economy and the weakness of the economy and the weakness of the first part of the syrier care of inflation.

This would markedly improve is a major cause of inflation. This would markedly improve because Syria imports about half Syria's export earnings but

ast year. However, this depends on oil
Among the many complaints of prices remaining firm at around

Oil interest

to the Soviet Union — it is thought that about \$15bn is owed. The Syrians have been under pressure from the Soviets to settle some of this debt in hartered goods such as foodstuffs and cotton, which squeezes supplies available for export to earn hard currency.

Syrians themselves, who privately make no secret of their capital make no secret capital make no secret capital make no secret capital make no secret ca mit resources to exploration and

All this activity and the expec tation - perhaps exaggerated - of better times ahead for Syria's

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Wan Li: born 1916. Studied in France as a young man as did other communist leaders. including Deng Xiaoping. As Chairman of the National People's Congress Standing Committee he can help speed the reform legislation that previously was delayed by

conservatives like his predecessor Peng Zhen.

A close ally of Deng's, he too was sacked in 1976 when Deng was dismissed by the Gang of Four after the riot in Tiananmen Square. Reinstated later, he rose to Polit-buro member, vice-premier and even acting premier.



Yao Yilin: born 1917. Senior vice-premier and member of the Polithuro Standing Committee. Studied at Qinghua Univarsity in Peking and worked in the party's underground movement in Tianlin in the 1930s.

Background of conventional socialist central planning and, after the Cultural Revolution, moved steadily up from Central Committee alternate member in 1973 to Polithuro Standing Commit-

In charge of the State Plan-ning Commission, he is well placed to press traditional views on reformist leaders.



Li Peng: born 1928. Son of a "revolutionary martyr" killed in the 1930s, and raised under the aegis of party leader Zhou Enlai. As premier and in charge

of the Economic Restructur-ing Commission he will have an opportunity to put brakes on the reform process. Reputed to be a keen central planner at heart.
Trained in Moscow at the

Power Institute in the 1950s, he worked his way up the power industry in China. Last year joined party's rul-ing Polithuro Standing Committee; is now second only in



Zhao Ziyang, born 1918.
Jeined party at 18. Ross up
hureaucracy until pilloried
in the Cultural Revolution in
1967. Vanished until 1971.
reappearing first in Coung
dong then in Sichum where name as reformer was made.

Became premier in 1980 and steered China through

early economic reform.

Should have power base in China's ruling establishment through experience as premier, party general servetary and now military boss. Unless something goes badly wrong, now looks set to inherit mantle of supre leader Deng Xiaoping

Zou, Jiahua

Machine Building

Colina Macdougall evaluates shifts in the balance between Peking's conservatives and reformers

Key appointments underpin Deng's vision of reform

CHINA'S National People's Congress last month approved a new and predominantly reformist state leadership to take the country through the next five years of experiment and change. It will be a high-risk period for China's attempt to modernise through change and reform: "Each time we see party general secretary we see party general secretary Zhao Ziyang on television, his hair has gone whiter," said one

authough it is still the case that the Communist Party calls the reform on hold, to retire from the shots, the Congress marks a new stage in the distancing of party affairs from the business of government. There are are are also and the case in the case of government. There are are are are also and the case influence which temporarily put the reform on hold, to retire from active posts. government. There are encouraging signs that the reformers have been able to adapt Chine's safe bot that been able to adapt China's unwieldy decision-making process to make it more flexible.

The most hopeful sign for Deng's policy also triumphed reform is that most top jobs went in the military rechuffles. Two to the friends and allies of old soldiers, friends of his, took The most hopeful sign for Peking's Grand Old Man, Deng the top ceremonial jobs, state Xiaoping. The key exception was president and vice-president. the Premier's post, which was Another old friend, Qin Jiwei, given, as expected, to dark horse was appointed Minister of Li Peng, best described as a pru-dent reformer, if not actually a were mollified with promises that

There were few surprises in the new leadership lists. Shanghai boss, Jiang Zemin, in London in March, was asked why he was not attending the congress. "Too was given a military role. busy," the burly Polithuro member chuckled in reply. "Anyway, I man of the State Military Com-

Deng and his allies, including former Premier and keen reformer Zhao Ziyang who took over the top party post last year, will have played a vital part in picking the

In the trade-off last summer, Deng managed to induce elderly hardliners like Peng Zhen, a key actor in last year's anti-bourgeois liberal campaign against western

reformers, like Li Peng, rather than radicals in the mould of Zhao Ziyang.

at last this year a system of ranks (and appropriate pay scales) would be restored.

know what's going to happen." mission, he now looks set to suc-Party and state jobs were ceed Deng as its Chairman, one shared out as long ago as last of the most important jobs in summer in a seaside party meet-ing at the resort of Reidaibe, mantle as the mainspring of reform, he needs the respect and

loyalty of the army. Zhao was already (since last October) the vice-chairman of the party's Military Commission. Since the army must have acqui-

esced in both appointments, he, unlike other possible candidates for the posts in recent years (dismissed party leader Hu Yaobang was one), must already be acceptional acceptions. In general party leader Hu Yaobang was one), must already be acceptional acceptions. In general party leader Hu Yaobang was one), must already be acceptional acceptions. In some cities were reappointed, the true sympathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some Chinese stay pathies of the new 45-strong State risky level. Some chinese stay pathies of the new 45-strong State risky level. able to a broad range of military

The reform was strikingly evi- ate without party interference, and in the new openness at the was finally passed after years of dent in the new openness at the Congress. Of course to some extent it was stage-managed. But voters had a choice of candidates in electing delegates, and at the Congress these delegates could reject those standing for office.

Even top leaders drew some "no" votes and abatentions – the new 81-year old President Yang Shangkun among them. Deng himself was ticked off by a dele-gate for smoking. There was even

a modicum of unscripted debate. Premier, is not seen as a commit-Tendentions policies were disted reformlet, whatever he may cussed, and the discussions have said at the Congress (it is reported in the press. Army dele-gates complained that govern-ment officials knew too little allowed to the already richer

was set up as a province, part of the controversal reform policy to open up the coast. A new law on contractual joint ventures with foreign companies was passed. Yet not all the omens were good for reform. Li Peng, the new

On top of that, some streamlin-

ing of the bureancracy was approved. Tropical Hainan island

untikely that his official report voiced personal opinions). Yao Yilin, the senior vice-preabout defence. The inland prov-mier, is a cautious elderly man of inces groused about the benefits long experience in China's earlier centrally planned economy. Per-haps more than Li, Yao knows

YOUTH IN THE ASCENDENT

Li Guixian: born 1938. The real mystery man in the new state leadership. From first party secretary in Anhui province and Central Committee member has jumped to state councillor and governor of the Peo-ple's Bank, China's central bank, an important and diffi-cult job in inflationary times.

Born to a peasant family, reportedly dazzled his examiners in 1959 with brilliance in the entrance exam to China's top University of Science and Technology. Studied at Moscow's Mendeleyev Chemical Technology Institute

Li Tieying: born 1936. One of China's nine State Councillors. Son of Deng'e first wife and allegedly handsome (but now deceased) communist leader Li

Spent several years at Prague's Charles University studying solid-state physics, returning to China to work in a series of research institutes

Rise since 1981 has been meteoric. Has now swapped Commission posts with Li Peng, taking on the Education Commission instead of the ERC.

while many previous ministers were reappointed, the true sympathies of the new 45-strong State Council are still an unknown quantity. None of the members is likely to be conservative in the old sense, but imaginative econate watched Poland over the thought ness. The enterprise law, which gives managers freedom to opernomic thinking may not be their

strong point.

Eighteen, plus Premier Li, are professional engineers. Another four are scientists. The rest are mainly career bureaucrats.

Some, like Li Peng himself, were educated in the Soviet Union or Eastern Europe, though the Chinese dismiss this as irrelevant because in the 1950s they had no other options abroad for

advanced education. What this means for the reform remains to be seen. More impor-tant, perhaps, in keeping the loyalty of the bureaucracy are the ties that bind some of them to older party leaders.

Despite the reshuffles, the Congress came up with few solutions for China's problems. In fact, the bolder reform policies were modified. Instead of freeing the economy further from state shackles, more subsidies to the urban population were epproved. The merg-ing of the administration of China's inefficient rail, air, road

the reform, faces its worst problems for years. Of these the most planning and strict socialism perilous is inflation. Prices, have been seen to fail, but

GRANV

SPONSORED SECURITIES

years and shiver at the thought f the same disruptions

Agricultural output has fallen with land lost to building and costs of fertiliser and pesticides rocketing. Education, so important for the future, is suffering badly with little new investment, rising costs and impoverished achers and student

Corruption, already a serious problem because of suppressed consumer demand in China and disillusion with Marxist ideology, has been given a new boost by the reform. The introduction of a semi-free market has meant that people can get what they want if they bribe, borrow or steal for it.

Yet the key to making the economy more efficient is to do more of what the reformers have done so far. The problem is that only some elements of a market system have been installed, and most prices remain fixed at an artificially low level.

Peking is stuck in a victous circle, unwilling to free prices for

and water transport into one fear of more inflation. Without ministry was abandoned because of opposition.

that freedom, the leadership is unable to spur the productivity of opposition.

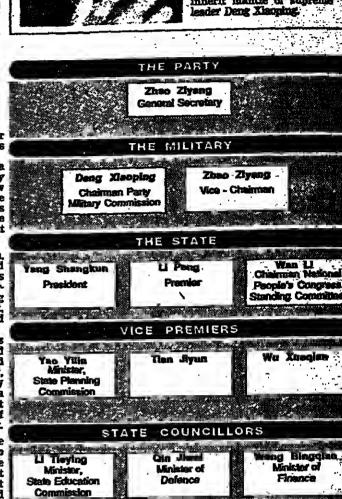
The new leadership, already which would help satisfy the grain for consumer goods.

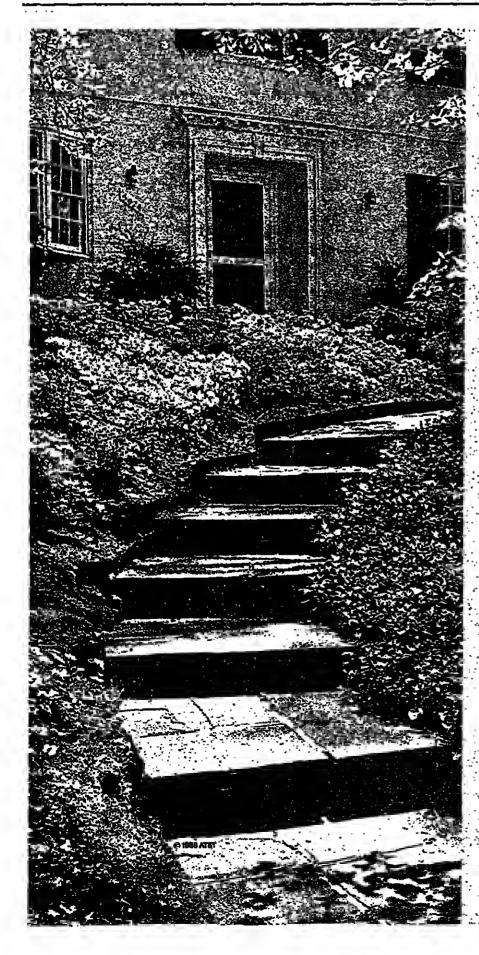
Technology

Li Gubtien

Governor of

China's old policies of central already rising fast in the past whether the reformers will be couple of years, rocketed in the first quarter of 1988. In that teeth of all these problems and a period Shanghai reported less than united leadership increases of over 19 per cent in remains to be seen.

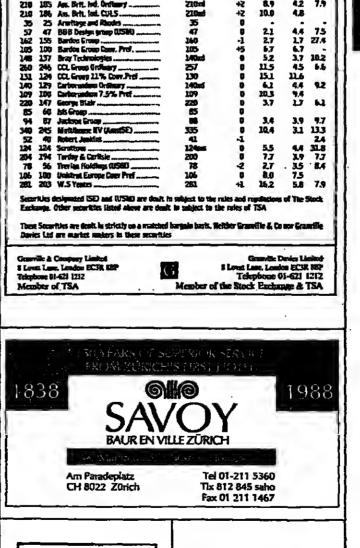




There's still no place like it. Call home.

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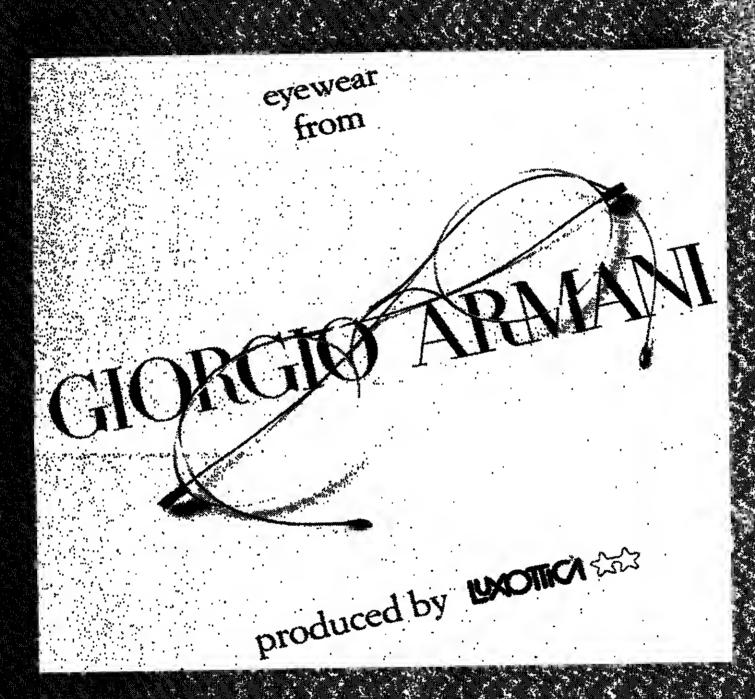
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Brazil to act on economic crisis

BRAZIL'S government is planning emergency economic measures and is seeking backing from powerful state governors for its attempts to rescue the econ-

omy from crisis.

The appeal follows a 48-hour strike by public employees which attracted widespread support, thereby further restricting President Jose Sarney's political room

on economic strategy, the presi-dept is now arguing for a rapid acceleration of policies simed at deregulating the account deregulating the economy. It also admits that recession is sharply cutting back spending hitting real earnings and employ-programmes and opening Brazil to competition from foreign to rise and the government is a sharply continued to rise and the

Shuttle schedule

Nasa said yesterday.

The blast at a plant owned by

Pacific Engineering & Production of Nevada, a subcontractor which

manufactures a fuel component used by the space shuttle and military rockets, destroyed an

adjoining marshmallow factory in the Las Vegas suburb, sliced off roofs, up-ended cars and even rocked a airliner in flight. More

than 250 people were injured and one was killed in the eight-mile-

The explosion raises fresh con-cerns about the accident-prone

US space programme and safety procedures employed by National Aeronautics and Space Adminis-

survives rocket

fuel disaster

By Nancy Dunne in

Details of the strategy were revealed in a confidential document prepared in Brasilia and interest rates as federal revenues published yesterday by the fall and a balance of payments respected Jornal do Brazil newspaper. The document, which paints the bleakest portrait yet of the economy, is being presented to governors by Mr Henrique Santillo, a governor of Goias

to rise and the government is absorbing crucial investment

The paper warns that state and

resources simply to service its of the state as, perhaps, the debts. This, in turn, is forcing up greatest challenge we must coninterest rates as federal revenues from up until the end of the cencrisis grows ever more imminent.

The Government's sober assessment comes as state com-pantes were yesterday consider ing mass dismissals following this week's strike against a two month freeze in wages for public sector workers.

Justifying new spending cut-backs, the document argues that agreement with foreign creditors is essential — not least to secure an anticipated \$4bn in Japanese loans for imported goods "indis-pensable to the modernisation of the economy." The stronger-than-expected reaction to the freeze has further constrained Mr Sarney's options. However, yesterday labour courts appeared to be undermining the municipal deficits are now on course to amount to 0.9 per cent of gross domestic product, and must be reduced to 0.5 per cent of GDP.

However, yesterday labour courts appeared to be undermining the freeze by anthorising substantial pay rises to workers on the state-owned merchant shipping line, of GDP.

But in a key passage, it identifies "the redefinition of the role savings bank.

UAW wins Chrysler jobs deal

Workers have reached a tentative labour agreement which matches key provisions on job security won by the union from General Washington
A SERIES of explosions which destroyed a Nevada rocket fuel plant on Wednesday will not delay the launch of the space shuttle scheduled for May 25, Motors and Ford last year. The new national contract, covering 60,000 workers, has sym-

bolic value for the union. It made substantial concessions in 1979 to help Chrysler avoid bankruptcy. New for the first time in nine years, the agreements with Detroit's three big car makers are virtually identical and all expire on the same day, September 14, 1990. This will increase alightly the union's bargaining power.
If the agreement is ratified by members next week, they will receive a "signing bonus" linked

CHRYSLER and the United Anto
Workers have reached a tentative
labour agreement which matches
key provisions on job security
won by the union from General

Chrysler's 1987 profits. Neither
ratio of active to retired workers
is 1.1 to 1, compared with 1.3 to 1
at Ford and about 1.6 to 1 at GM.
Under the job security plan,
Ford paid its workers average
Chrysler will spend up to \$220m Chrysler workers will receive two annual 3 per cent pay rises during the contract, plus profit-related bonuses. For the first time, some elements of execu-

bonuses of \$3.700. General Motors to keep on the payroll workers paid nona because of dismal made tille by new technology or results from domestic operations. purchase of components from outside suppliers. Chrysler is to close one assembly and four component plants.
The union has agreed to co-op-

time, some elements of execu-tives bonuses will be tied to the payouts to workers. Provisions for pensioners will these "modern operating agreepush the company's total labour ments", controversial among costs to about \$3 an hour per worker above GM's and about 50 on a voluntary plant-by-plant cents above Ford's by the time basis. So far only six of Chrysthe contract expires. Chrysler's let's 46 plants have accepted.

Crazy man runs for Ecuador presidency

BY SARITA KENDALL IN QUITO AFTER three deaths last week

Aeronautics and Space Administration contractors. Five months ago, am MX missile production building owned by Morton Thiokol burned down and five workers were killed. In the aftermath, Morton Thiokol — the company which built the booster rockers responsible for the shuttle challenger disaster — was fined \$31,200 for breaking books. fined \$31,700 for breaking health government candidate was elimi-

and safety rules.

At the Nevada plant, the company president, Mr Fred Gibson, said a piece of equipment had malfunctioned and caught fire.

The IIS has not had a manned affected by the political uncertainty—and rising inflation. flight since January 18, 1986, when the Challenger exploded tainty - and rising inflation.
The candidates, both lawyers, killing the seven crew. Nasa's are both on the centre-left. But confidence was further eroded by there the similarities end more failed rocket launches.

tropical Guayaquil populist are far apart. Campaign violence, and the

fact that neither candidate is liked by the right-wing business community associated with the present government, have kindled talk of a coun. However the Government and the military say the election results will be

Mr Borja, 52, represents the leading political party, the Demo-cratic Left, But its strength lies in the highlands, and Mr Bucaram, with his Roldosista penty, controls the buge coastal bined with policies to attract shanty towns. Elected mayor of vate and foreign investment.

ahead in most opinion polls, and Ahdala Bucaram. In personality, campaign style and politics the highland social democrat and the administrative irregularities. administrative irregularities forced him into exile. However, the Covernment allowed him to return to run for president, apparently miscalculating his political pull. Policies figure little in his passionate oratory. Dobbed "the madman", he seized on the nickname and sang a song titled "That's why they call me crazy"

> In contrast, Mr Borja is staid. Party propagands stresses his experience, honesty and balance. He plans a mixed economy: greater state control over exchange rates and trade, combined with policies to attract pri-

Ex-World Bank chief offers debt solution

By Stephen Fidler, Euromarkets Corre

FORMER World Bank trea A FORMER World Bank treasurer, Mr Bugane Rothers, yesterday proposed a solution to the Third World debt crisis involving a central role for the World Bank, which he left last year after 19 years to Join Merrill Lynch, the US securities firm.

Mr Rothers said his framework was not designed as the solution but it could be built upon to allow the pain to be shared

allow the pain to be shared among the groups concerned. It also allowed a continued flow of new tunds to debtor countries to bring about economic growth and political stability.
Outlining his idea to a confer-

ence in London organised by Ruromoney magazine, he critic-ised most earlier proposals as politically unworkable. The plan is complicated but the main Commercial banks lend new

money to a country amounting to a substantial part of the interest due to them, over 20 years, pro-vided there is a World Bank loan in place with economic condi-tions attached.

 The World Bank undertakes to take over the principal pay-ments to the commercial banks efter 20 years, thereby guarantee ing principal.

• After 20 years, the banks may

decide to pass on their Brazilian loans, which will be transferred to an affiliate of the World Bank. This affiliate pays Treasury bill rates to the commercial bank for

the next 20 years.

The affiliate could be capitalised partly from the \$75bn capital increase voted by World Rank governors last week. A lender of last resort facility could be pro-vided by central banks in the event of widespread defaults to the affiliate.

Mr Rotherg's plan seems unlikely to escape political oppo-sition from western governments. It also could be criticised for doing nothing to alleviate the huge "debt overhang" on debtor countries which hinders their economic progress. In fact, it could imply a large increase in their debt burden. Furthermore, while it

mate repayment of principal, it arguably does not reduce the main worry for creditor banks that of a halt in interest payments in the short term.

Bond scheme proposed to ease Latin American debt

AN INTERNATIONAL Conference on Latin America and the world economy held in Caracas has proposed the establishment of a bond scheme and a new multilateral agency linked to the World Bank as a means to ease part of the region's foreign debt burden.

The conference, sponsored by Aspen Institute Italia and the Latin American Economic Systems (Sela), offered a new version of the Mexico bond plan whereby commercial banks would be able voluntarily to exchange part of their Latin American debt for dollar-denominations.

The conference, sponsored by Aspen Institute Italia and the Latin American Economic Systems (Sela), offered a new version of the Mexico bond plan whereby commercial banks would be able voluntarily to exchange part of their Latin American debt for dollar-denominations and the worked out. How worked out. How worked to be worked out. How compenies and other groups.

Systems (Sela), offered a new ver-sion of the Mexico bond plan wherehy commercial banks would be able voluntarily to exchange part of their Latin American debt for dollar-denomi-

No short term end to US deficit warns Fed official

BY STEWART FLENING IN WASHINGTON in 1985 the US became a net debtor nation for the first time MR MANUEL JOHNSON, the

Vice Chairman of the United States Federal Reserve Board, warned yesterday that a substantial improvement in the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account implies that the US current account deficit will probably account making the united account deficit will probably account deficit will probably account account deficit will probably account deficit will probably account account account deficit will probably account account account deficit will probably account tial improvement in the US current account deficit will probably take some time to achieve.

In a speech in Brazil to Central Bank Governors from countries on the American continent, Mr Johnson said: "based on current policies, comparable US and for the said that "the near farm outlook for the US current account the US current account deficit remains the current account deficit remains at the current account deficit will probably take some time to achieve.

In a speech in Brazil to Central grow for at least the use of the current account account deficit remains at least the current account accou

Johnson said: "based on current current policies, comparable US and foreign growth rates and limited further currency realignments, it will take a while before the US current account deficit is reduced substantially" from the \$160bm comparable ratios for highly comparable ratios for highly in 1987. He added that the estimate of indebted Latin American coun-

the US net external debt position tries are high, in the range of 25 at the end of 1987 has risen to per cent to 38 per cent of GNP he about \$400tm - the official figure said adding that even using pessimili not be announced until next month.

Colombian police baffled over kidnapped envoy

POLICE have found the aban-doned car of a West German hon-been abdicted.

Police said a white Mercedes day but have no other chies to day but have no other chies to the whereabouts of the envoy and four other foreigners snatched by left-wing guerrillas. and four other foreigners snatched by left-wing guerrillas, officials said yesterday, Reuter reports from Bogota.

Those missing include the

park near the central market on

Those missing include the The guerrilla operation contin-French embassy's assistant press and yesterday when a television attaché, a second West German journalist was kidnapped by four homorary consul and two Swiss gunnen who said they belonged itizens.

A total of six Colombian politition Army (RLN), witnesses said.

Death threats rise in Chile,

says report AMNESTY INTERNATIONAL AMNEST INTERNATIONAL criticised yesterday as alleged rise in harassment and death threats against lawyers and government critics by claudenine groups in Chile, Reuser reports

groups in Chile, Reaser reports from London.

The London-based buman rights organisation said numerous death threats had been curried out by the groups and called for an urgent and impartial investigation of their activities.

Amnesty international Lawyers' Group said: "The barassment of government critics by clandestine groups is one of Amnesty's main concerns in Chile."

Chile."
Various lawyers were among the groups' recent targets who included trade unionists, actors, human rights workers and political activists. Ammesty said.

It said there appeared to be official complicity with the claudestine groups.

Amnesty said the groups operated with impunity and alleged that court and police probes had failed to identify and punish those responsible.

those responsible.
The manner in which the "The marner in which the groups operate and the scale of their activities leaves little doubt that they are working with official condonement and that they may be made up of members of the security fores acting clandestinely with civilian collaborators," Amnesty said.

WORLD TRADE NEWS

Brazil unveils import reform measures

BY IVO DAWNAY IN RIO DE JANEIRO

BRAZII. HAS announced measures aimed at liberalising the beginning of the year. imports of agricultural products, Until now, the rules have steels and non-ferrous metals, and machinery and equipment. The measures also include greater flexibility in financing

National Council on Foreign Trade, are said to be the first stage of a long-awaited tariff reform, expected at the end of this month. An official of Cacer, the agency that regulates Brazilian trade, said vesterday that the new mea-

The moves, agreed at the

sures would have "serious consequences for the liberalisation of

mechanisms for imports of metal products by the steel industry will be eased, with individual companies now having only to wherever report their needs to the indus-imports.

required each company to agree its quota requirements with both Consider and Cacex.

Brazil has also lifted the ceiling on the amount of goods that may be imported without longer-term financing arrangements from \$100,000 to \$300,000, with bigger quantities subject to less rigorous

credit requirements. Both the import and export of farm products - especially corn, cotton, rice and soya - will have fewer bureaucratic restraints. Safeguard clauses will be included to prevent dumping of surolus stocks.

However, foreign diplomats Mr Namír Salek, Cacex director, said the impact of the meanight direction, but it can hardly sures would be to lift imports and be said that they have opened up reduce the level of reserves. their doors," one said.

Under the new measures, Brazil remained far from ending its quota system on imports or repealing its law that forces com-panies to buy domestic products wherever available, instead of

Venezuela **British** tanks

But the deal has been enthu-statically supported by the British Government and it appears there will be no prob-lem in obtaining Export Credit Guarantee backing.

armed forces.

Constraints

Mr Tim Eggar, Minister of State at the Foreign Office with responsibility for Latin America, will visit Venezuela

cente Rangel, a prominent col-nunist and former left-wing presidential candidate, has attacked the deal as being over-priced.

THE Venezuelan Government

ment on the contract.

The purchase forms part of a major upgrading and modernisation of the Venezuelan

For more than two years the armed forces have had a shopping list of over £560m for the three services.

At the same time, the gov-ernment of President Jaime Lusinchi has shown increasing

Security considerations have been a factor in holding back exploitation of oil resources in the western Ilanos (plains) of

at the end of this month as part of four-nation tour of the

Avision Minister.

Interviewed at the Hanover air show yesterday, Mr Chuyko said Moscow was interested in pooling knowledge with Western and the would also possibly run foul of technology transfer regulations policed by the Paris-based Cocom organisation.

For these reasons. West Company of the company of

Aviation Minister.

Interviewed at the Hanover air policed by the Paris-based Cocom show yesterday, Mr Chuyko said Moscow was interested in pooling Knowledge with Western aerospace companies. "We can offer ment officials at the air show yesterday were sceptical about the main Soviet Aviation Ministrates are good perspectives for chances for any rapid break-

THE SOVIET UNION is seeking this co-operation."

Joint airliner development justifies in the Airbus group on would mark a radical change jointly developing and producing with Soviet practice of seeking civil aircraft, according to Mr viktor Chuyko, the deputy Soviet it would also possibly run foul of Aviation Muleter.

Interviewed at the Hanger air policed by the Paris-based Cocon.

through with the Soviet Union, but agreed the suggestion was Asked whether worth discussing.
Mr Chuyko said "further work"
was needed on the Cocom embargo lists to make such col-

Moscow seeks co-operation with Airbus companies

Asked whether Moscow's willingness to consider co-operation was a sign of glosnost (openness) and perestroiks (restructuring), Mr Chuyko answered: 'Defi-

He indicated his country was me managed his country was interested not only in the most advanced technology, which would pose the most difficult transfer questions, but also propeller-driven airliners, the Minister said.

He singled out West Germany as a key country for possible partnership. Talks would take place shortly with Messerschmitt-Bölkow-Blohm (MBB), the German partner in Airbus, and he would also be having discussions in Hanover with MTU, the German sero-engine com-

He drew a distinction between co-operation on airliner development and on buying a Buropean

Japan in reluctant beef with US

BY CARLA RAPOPORT IN TOKYO

MR NOBORU TAKESHITA, the entirely a defeat for the Japanese Prime Minister, has ness. In fact, the breakdown in been creating closer ties with talks on beef and oranges looks European leaders this week, like another Takeshita-style bid while his envoys in Washington have been watching relations with the US take a turn for the well-known for his belief in build-

worse.

After weeks of negotiations, the latest round of US-Japan talks on agriculture trade collapsed this week, with the two sides unable to agree on how sentatives in Washington know Japan should open up its market that he would prefer to carry out to imports of beef and oranges. This setback comes only days tance, or at least gradging undersafter congressional suproval of standing. of the agricultural after congressional approval of standing, of the agricultural the Trade Bill, which Japan has lobby. vigorously opposed as protection-ist and even anti-Japanese.

The US has now referred the ment for attempting to open up beef and oranges matter to the their markets to foreign competi-General Agreement on Tariffs tors. Farmers' protest rallies and and Trade (Gatt) in Geneva, which unanimously approved the in Tokyo these days.

Even so, the issue of subsidistrated to the interest of a multilateral subsidistrated to the interest of the panel to investigate the US complaints. US officials close to the negotiations say they are confident of a favourable ruling from Japan are planning more bilatest, given the American victory eral talks aimed at solving the last year striking down Japan's problem. At the same time, Japan import restrictions on 10 other ness bureaucrais and politicians

the Gatt referral itself is not gain some co-operation.

At the moment, Japan's farmers are furious with the Govern-

agricultural items. are talking with farmers in a bid On closer inspection, however, to reduce their level of anger and



best can simply tell their cattle farm voters that the Gatt ruling reflects an international consensus which cannot be ignored.

As there are about 270,000 such farmers in Japan, mostly in southern Japan, this kind of help from Geneva could prove important to LDP Diet members from the southern island of Kyushu.

Japanese bureaucrats who have studied the issue agree with the US that the Gatt decision, from his European trip



Chip pact move 'unlikely to affect prices'

EUROPEAN prices for Japanese compliments of Japanese compliments of the near future, despited in the near future, devices used in all types of control of the near future, and the near future, devices in the near future in the near future, devices in the near future in the near

Airbus outright. BAe, Rockwell link to compete for US order

By Lymbon McLain year, barring any bilateral settlement, will be against Japan.

This is based on Japan's policy of encouraging domestic beef production, despite maintaining structure quotas. Further, the domestic orange industry, they believe, will not be eligible for production from forester in competing for a US Air Force trainer propagation. BRITISH Aerospace and Rock-well International of the US signed a menomendum of under-

peneve, will not be eligible for protection from foreign imports because the Japanese grow mandarn oranges, not US navel oranges.

Ironically, this Japanese bid for more time will work against the farmers, because Gatt's decision in the John two years. In the bilateral talks, and investigation, if it decides against Japan, then the LDP intermediate in the Japanese and surply tell their cattle farm voters that the Gatt ruling reflects an international consensus which cannot be ignored.

As there are about 270,000 small farmers in International consensus farmers in International consensus farmers in International consensus which cannot be ignored.

As there are about 270,000 small farmers in International consensus which cannot be ignored.

As there are about 270,000 small farmers in International consensus farm

deal for UK

By Peter Montagnon

A UR company which has been in operation for less than 18 months has won a rare 125m order to supply and distribute video wending mathines to Japan.

Royal Ordnance moves into US manufacturing

BY DAVID WHITE, DEFENCE CORRESPONDENT

The company, which a year ago was bought from the Governago was bought from the Government by British Aerospace, is to build a new facility in Kentucky in a 50-50 partnership with the US company Ensign-Bickford. The venture, North American Explosives, will make and sell high explosive products for both the civil and the military market

in the US, Canada and Mexico. Royal Ordnance currently has no production facilities outsida the UK. The company said the US the UK. The company said the US move involved an initial investment of "more than \$1m". It demonstrated the new corporate approach that had come in since privatisation and since the groups.

Mer maurice Dixson, Royal Ordinates Dix Dixson, Royal Ordinates Dixson, Royal Ordinates Dixson, Royal O

ROYAL ORDNANCE, the British arrival of new top management. arrival of new top management in August and September last in August and September last year, Royal Ordnance broke into the US market with a £10m order. for its 105mm light gun and a £51m order for 81mm mortars. It set up a US subsidiary after being marked out for privatisation in 1985, and now has agreements with 15 US companies.

Production at the new Ken-tucky plant is due to start in the autumn Further collaboration between the two partners is foreseen, involving transfers of tech-nology and the development of

Mr Maurice Dixson, Royal Ord-

set to buy By Robert Grahem

is at an advanced stage in negotiations to buy 84 British made Scorpion light tanks.

The deal, understood to be worth around £47m, is the largest single military purchase from British by a Latin

American country since the 1982 Faiklands conflict. Venezuela was among the most vocifierous supporters of Argentina during the conflict and for a time cold-shouldered trade links with Britain.

The Scorpion is made by Alvis and any sale is expected to include training. The com-pany itself is declining to com-

However, financial con-straints arising from the debt crisis were cast aside after Venezuela came close to a con-frontation last August with Colombia over disputed waters in the Gulf of Venezuela.

concern over security prob-lems posed by the increase in activity by left-wing Colom-bian gaerrillas along the bor-

In Venezuela, Mr Jose Vin-

San Francisco.

"The Europeans will be disappointed if they expect this ruling to have any immediate impact on prices," said a US semiconductor industry official in response to Gatt officials' assertion that the

remains unclear how it will change its system while continu-ing to honour the bilateral trade pact by preventing dumping.

The issue is, however, a most one under current market condi-

The US is, however, determined that over the next few mouths, a new Japanese export monitoring system should be developed.

The company began business importing the machines into the UK from the US, but has now taken a controlling interest in the US manufacturer, Essex feweredged.



its rig

hile,

Rocks

order

The pressure on businesses to grow is such that it's very easy for accidents to happen.

Amidst the natural euphoria over winning a large order, for example, someone forgets to check the new customer's credit worthiness.

Or, in the rush to complete a new customer's work, nobody thinks to insure the potential debt.

It's only when credit control report a problem some months later that anyone even realises their slip up.

Well, as they say, accidents will happen. Well, actually, they needn't.

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Trade Indemnity Credit Corporation, for example, offers a highly specialised credit analysis service.

Then there's our collections service, probably the most advanced debt collection operation in Britain.

And, of course, there's our various export services ranging from credit insurance to non-recourse finance.

Even with systems as sophisticated as ours, however, there are times when even we can't foresee the collapse of a company.

Which is why increasing numbers of companies, small and large, use our credit insurance.

Indeed we pay out around £30 million a year when companies can't pay their bills.

Saving our customers from some very serious industrial accidents, indeed.

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For further information on our services, please call 01-739 9939.

ICI improves the image of its drugs research

David Fishlock explains how a new scanning technique has reduced the need for harmful tests on animals

ease now promises to have a dramatic impact on one of the most controversial aspects of industrial research.

and developed in the most into the body.

ICI is using the technique, in a sa addrawal research.

Nuclear magnetic resonance (NMR), one of the latest medical imaging methods, can also be used to follow the progress of new drugs or foods when they are tested on animals for efficacy and possible toxic side-effects.

As with human patients, NMR has no detectable physiological effect on the animal, which can therefore be employed repeatedly, greatly reducing the num-ber of animals which need to be killed in the research stages of a potential new product.

This is the experience of scientists at ICI Pharmaceuticals. They have been developing NMR methods of monitoring animals during research into three kinds of compound: for treating cancer, rheumatoid arthritis and heart

All three are complex disease states that require surveillance of the whole animal rather than one particular organ. Whole body NMR scanning permits this kind of surveillance with minimum nience to the animal.

NMR spectroscopy, as an analytical tool, has been used by organic chemists since the 1950s to help unravel the structure of lute godsend."

Park laboratories in Cheshire.
This biological NMR unit of six scientists also collaborates closely with Professor George Radda, the UK Medical Research Council's NMR specialist in

ICI's initial experiments, made in 1981, used a standard labora-

Work is centred on treatments for cancer, rheumatoid arthritis and heart disease

tory instrument with a narrow, vertical magnet bore intended to take analytical samples. The scientists soon learned that living things are more fragile than inanimate samples when a mouse froze to death in the chilly bore

ary of the Oxford Instruments group. In six months they convinced ICI research management that NMR was "essential" to pharmsceutical research. One senior scientist calls it "an absolute godsend."

The research team's latest to the oxford team is latest to the oxford team is agreed to accommodate the fact that — unlike the prosping the fact that — unlike the prosping the fact that — unlike the prosping is more troublesome to soft fissues never revealed by soft f

A TECHNIQUE which is already ing is a newer technique, discoving widely used by doctors as a powered in Britain in the mid-1970s in West Germany, which has and developed into a highly acquired Oxford Research, comment to highlight images of the acquired oxford Research, comment to highlight images of the The second major research bines spectroscopy with scanning to produce sharp images as well as a detailed picture of the chem-

The horizontal bore of its 2.35 Tesla superconducting magnet is wide enough to take animals as hig as a "mini-pig", widely used in drug experiments. The scientists anaesthetise the animal—as a doctor would do when he is scanning a sick baby by NMR.

The first of ICI's biological MR-based drugs research is focused on cancer therapy, and specifically the use of drugs to treat cancers which seem to be related to the production of a hormone involved in the reproduction grade.

Clear evidence of NMR's value is emerging in the area of repro-ductive physiology, an area where most animals differ greatly from humans. Very few animals menstruate, for example. So the scientist is obliged to use higher primates for his trials, an

The method opens up avenues of experiment on new foods and pharmaceuticals

In tests on rats, another series of compounds has shown interesting possibilities as an anti-cestrogen, which by inhibiting this female hormone might be used to treat hormone means to the content of th treat breast cancer.

The ICI scientists tested the compounds on female monkeys, using NMR to follow the effects on the uterus. The experiment

ment to highight images of the monkey prostate, which shrank under the drug's influence but returned to normal size when the drug was withdrawn.

They needed only five monkeys, which all ended the trial fit and well, and ready to taskie another drug trial. With

trial fit and well, and ready to tackle another drug trial. Without NMR, the researchers say they would have sacrificed at least 50 animals to get the same data.

The method opens up

Research is severely hampered by the lack of a good animal model. The best science can offer is the rabbit that is immunised with an antigen to provoke a specific inflammatory reaction. But even this model is difficult to monitor in testing new anti-inflammatory commonly. flammatory compounds.

The ICI scientists believed that if they could detect the disease at an earlier stage, they might have more hope of halting its progress. The biological NMR unit has

designed a technique which can follow the rabbit from the first signs of inflammation. The high resolution of the NMR can reveal fine detail in a rabbit knee joint no higger than a human finger, so that changes can be followed minutely in the same rabbit for several months

disease. The heart presents a par- and tie off blood vess ticular problem masmuch as it is heart to simulate the

heart to simulate the effect of a blocked vessel.

Siemens trips visual alarm

By Geoffrey Charlists

SIRMENS, the West German electronics group, has intro-duced surveillance television for remote sites. The system sends still pictures down a telephone line as soon as an intrader detector is activated.

The tripping of an alarm-will make the system dial a phone number to activate a receiver at the other end. Pic-tures stored at the time of tripping, or at some later moment if this is appropriate, are then

Swedes turn up industrial heat By Geoffrey Charlish

SWEDISH COMPANY Earthal of Ol Hallstahammar is offering industrial heating elements that can operate continuously or intermittently at 1,900 deg C in oxidising atmo-

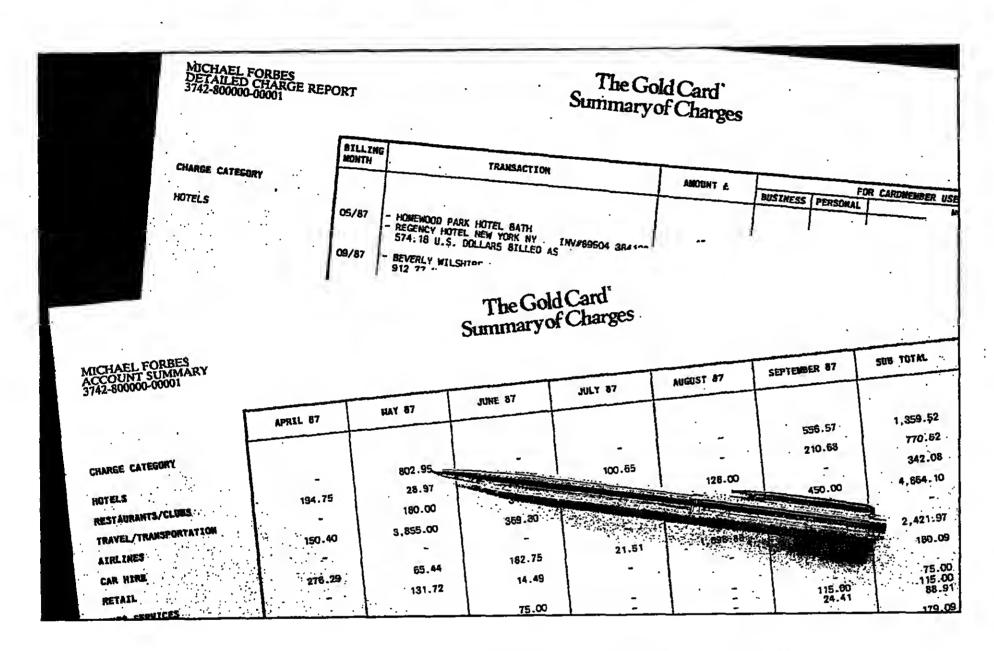
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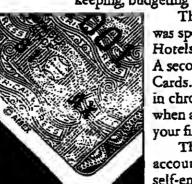
The elements have just completed a year of proving trials with furnace builders in the US, West Germany, Japan and the UK. They are said to outperform existing, similar high temperature elements by about 100 dec C.



THE GOLD CARD ANNOUNCES A NEW ANNUAL REPORT

American Express are pleased to announce to Gold Cardmembers an exclusive new service, designed to help you manage your business and personal finances more easily.

The Gold Card Summary of Charges transforms a year's worth of charges into a concise document; ideal for bookkeeping, budgeting and tax preparation.



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It's one more example of how The Gold Card

sets new standards of service. If you don't carry The Gold Card, but would like to receive further information together with an Application Form,

FOR SOME, LIFE'S TRUE VALUES ARE EASY TO RECOGNISE.



Boots' new site for sore eyes

BOOTS, the UK pharmaceutical ager, says Robert Bosch was not manufacturer and retailer, is the cheapest supplier considered marking the 50th anniversary of by Boots. The Stuttgart company Optrex — one of the leading was chosen because it "could prointernational brands of eye lotion wide us with very high quality

by moving its production to a machinery and, most important,
new sterile factory in Notting-could integrate it for us.

line — put together by Robert The computerised atmospheric Bosch of West Germany — which John Major, the factory manager, Transmission of Newbury, ensure says is unusual if not unique in that the pressure throughout the

Germany in 1983.

That arrangement had to end because the UK Department of locks to move from room to renewing its product licence, that the lotion must be made in a dressed from head to toe in prostrictly sterile plant. Roussel could not meet the condition without investing heavily in new equipment, so Boots decided to manufacture Optrex itself.

Boots' previous sterile manufacturing centre had been built in

manufacture Optrex itself.

Boots' previous sterile manufacturing centre had been built in 1964 mainly to manufacture beefbased insulin for diabetics. But that business has disappeared in recent years, as other pharmaceutical companies have introduced superior forms of insulin developed through genetic engineering. The old plant was not built to the highest modern standards and was in any case too small to make the whole Optrex range.

Boots therefore decided to

Boots therefore decided to ally making them. The manufacturing tablet factory. "If the company was to move into the big league where sterile products were concarned, a new location was a top priority," says David Lewis, the sterile products group manager.

and expensive process than actually making them. The manufacturing involves no chemical rescuring involves no chemi

I computer-controlled factory was designed and built by Matthew Hall Engineering, but much of the production equipment is West German. The £im eye lotion production line, integrated by Robert Bosch, starts with a "de-palletiser", which lifts empty bottles, 520 at a time, from their packing cases.

Then as the glass bottles move slowly down the line, they are: washed with demineralised water, blown dry with filtered air, heated to 350 deg C, cooled slowly, filled with lotion, checked, weighed, fitted with a cap and plastic eye bath, labelled and finally packed into cartons, ready for dispatch.

John Major, the factory man-

ham.

The 26m plant, which employs clean by a filtration and pressuronly 35 people, can make 12m isation system. Manufactured by bottles of eye lotion and drops, and 5m injections a year in an atmosphere that is 99.997 per cent times an hour and lets through free of dust. Its centrepiece is a fewer than three dust particles in continuous sterile production 10.000.

The computerised atmospheric

the UK pharmaceutical industry.

The eye lotion was previously
manufactured by Roussel Laboratories in Swindon, under a contract agreed before Boots bought to the room where the Optrex Ltd from Hoechst of West bottles are filled with eye lotion. Staff have to pass through air-

"The manufacturing itself is very simple," says Major, "What is difficult is to make it run suc-

......

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The second secon

BY MAX WILKINSON, RESOURCES EDITOR stations in Britain are already involved in dozens of separate

negotiations, Mr Cecil Parkinson the Energy Secretary, said yester-He was describing the Government's plans for the sale of the UK electricity industry in the world's largest privatisation project at a conference in London.

Mr Parkinson said that some commentators had doubted whether the plans for selling 12 area distribution and creating two power generating companies and a transmission company

would allow scope for much competition in generation.
There had been doubts whether the years of nationalised monopoly might have stifled pri-vate-sector interest in the indus-

try. However, Mr Parkinson said: "I am pleased to report that this is

which would like to build power hage amount of private sector successors to the Central Elec-

Power industry sell-off

generates 'huge' interest

"We have seen this in the past number of hig new power stafiew weeks from companies such tions now being planned, unless as Costain, and the Taylor Woodrow-Balfour Reatty consortium." for electricity.

In addition to the potential

The point is that in future it will be the greaturers not the strengthened interconnection.

to generate their own electricity, directly or via the grid com-but a limit would be set to pre- pany."

PRIVATE-SECTOR companies definitely not the case. There is a He gave a warning that the interest in getting into genera- tricity Generating Board might not be able to build the large

> In addition to the potential competition from independent will be the customers, not the power producers. Mr Parkinson producers, who make the decisaid there would be competition sions. The mere fact that the from Scotland, possibly with a CEGB is planning new power statements. tions does not mean that it will and also from France. have guaranteed customers. The He said the 12 area distribution distribution companies will place have guaranteed customers. The companies would also be allowed contracts as they wish either

> but a limit would be set to prevent them from becoming vertically integrated monopolies.
>
> The regulatory system now probably in several stages, 87 per being devised would also ensure cent of Britain's energy would be that the consequences of bad investment decisions were borne compared with 41 per cent when by investors rather than by customers. pany."
>
> Mr Parkinson said that after to power in 1979.

> > was "exceptionally severe" and

A link-up with an existing company would enable a building

building society would otherwise

A survey conducted for the institute of Directors, also done before the start of the Govern-

Sixty five per cent say that they will make plans to ensure their companies remain competi-

Company directors more aware of 1992

By Our Financial Staff

DIFFERENCES in the perception of their members towards the single European market emerged yesterday from the Confederation of British Industry and the Institute of Directors.

Mr John Owens, deputy director general of the CEL speaking to a conference of executives from London companies, quoted a survey conducted before the Government's campaign to create awareness of 1992. The survey showed that only 38 per cent of British companies had thought of the implications.

He called on City firms in particular to devote more of their energies to the European Com-munity. ICL and 3M were quoted as examples of companies which had already laid down a strategy for the single market.

ment campaign, showed that awareness had shot up to 79 per cent among business leaders, mostly managing directors and chairmen, nearly half of them in

Hygiene criticised in resort hotels

Beaches pass clean water test

SEVERAL Mediterranean resort hotels were yesterday alleged to have low standards of hygiene in a survey by the Consumers' Asso-ciation of botels in the area and their kitchens.

The survey covered 59 package holiday botels in Majorca, in the Spanish Balearic islands, Tunisia, and Rbodes and found "shocking standards" of hygiene in some of them.

All the hotels included in the urvey, which is included in this month's edition of the Consumer Association's magazine Which?, were used by UK package tour

operators.
Out of 17 food samples taken from the hotel restaurants, 10 contained bacteria "The fact that hacteria were

found does not prove that you could become ill by eating this food," the report comments, though it adds: "But it does prove that these foods are likely to have had contact with sewage or faecal material and that the potential for the spread of the isease exists.

None of the hotel kitchens checked by the association's inspectors was rated as excellent, while 14 were considered so poor that they had problems which could lead to outbreaks of infec-

Even the luxury hotels did not day that it was time the holiday necessarily have higher hygiene industry put its house in order. standards, according to the sur-

The inspectors also found staff ise regular inspections of kitch-

Almost seven out of every 10 beaches in England and Wales meet the cleanliness standards laid down hy the European Community according to a survey published by the Water Authorities Association yester-

There are 360 stretches of bething water in England and Wales that have been designated to comply with the Community directive on bathing

water quality.
Monitoring during 1997
showed that 251 stretches of
water met the standards of the Mr Bernard Henderson,

vice-chairman of the associa-tion, said that about £150m had been spent on improve-ments to bathing beaches in the four years to 1985. Since then the rate of expen-diture had doubled to about

£70m a year. He said that customers of

smoking in kitchens, poor pest control, and inadequate waste disposal facilities. Mr John Beishon, the association's chief executive, said vester-

"Apart from action by governvey. Contaminated chicken was ments, tour operators have s role served at a three-star hotel in to play," he soded. We think they should organ-

have to pay for those improve-

Mr Henderson was speaking at the launch of the 1988 Blue Flag Campaign organised by the Tidy Britain Group and sponsored by the Water Anthorities Association.

Thirty one resorts are com-peting in the awards for safe, One of the new - and controversial - conditions for entry is that dogs must be han-

ned from the beaches during the summer season, although special areas can be set aside for them.

Lord Caithness, Minister of State for the Environment, who was present at the launch, emphasised that there were ig economic benefits from cleaner beaches including increased tourism, improved shellfishing and better flood allevation.

ens and restaurants in the hotels

When there is an outbreak of

food poisoning due to the hotel.

they use by people who have had some hygiene training." that food quality is the responsibility of the botel. The association believes that The Association of British tour operators should accept Travel Agents, which represents responsibility for the hotels they

both tour operators and travel agents, said yesterday it was surprised at the survey's findings. "It looks rather a limited surthey should compensate boliday-makers directly," it argues. vey to draw general conclusions from," said a spokesman for the makers directly," it argues. from," said association.

Lord Caithness: big benefits

gests that tour operators claim

Prices of houses rise by more than 20%

By Andrew Taylor HOUSE PRICES rose by more than 20 per cent during the 12 months to the end of April,

according to the latest house price survey published by Hali-lax, Britain's largest building

The building society said the annual increase was the highest for almost 10 years.

After allowing for inflation of around 3% per cent, house prices in real terms were rising at the fastest rate since the housing boom in the early 1970s, the sur-

House prices during the early 1970s were rising at annual rate of around 30 per cent but inflation was much higher during

The Halifax house-price index in recent months has consistently grown at a much faster rate than those produced by other building societies and other bouse-price monitoring organisa-Some of these have indicated a

slackening in the rate of growth in London house prices. Halifax, however, says its findings are that London prices were still increasing at abhual rate of about 25 per cent at the end of

East Anglia had the highest rate of growth. Prices in the region had risen by about 40 per cent during the past 12 mouths, said the building society. Prices in the south west were expected to be rising by about 30 per cent a year by around the middle of the year.

House-price inflation was also strengthening in the west Mid-lands. There had been some slight upward movement in house prices in most northern regions of England, the survey noted.

Halifax said that it expected the annual rate of house price increases to slacken to about 17 per cent nationally by the end of the year. The average price of a house in the UK was presently

Building societies 'open to predators'

BUILDING SOCIETIES, the also able to transfer their busi-savings institutions which have ness to existing public limited been the traditional source of companies, provided that they mortgage finance in Britain had the consent of their members — and long regarded as being and an authorisation from the beyond the reach of the corporate Bank of England. raider and ecquisition-hungry However, at least half of e soci-foreign hanks and compa-ety's qualifying shareholders had

nies - may no longer be as safe to vote in favour. Phillips and from predators as they once Drew said that this requirer That is the thrust of a report posed a significant burdle. published today by Phillips and Drew, the London stockbrokers. This report warns that recent society to take advantage of its changes in the law mean that managerial structure and experi-

building societies can now take ence, as well as the company's part in mergers with companies, range of products and services.

"reverse takeovers" and, at least This would give advantages They can transfer their business to insurance companies, domestic and foreign banks, and

even a retail store group.

What is more, the international would be greater, and there would be no five-year period of business environment is making statutory protection from take-UK building societies look over, which a newly incorporated increasingly attractive to foreign institutions wanting to get into enjoy.
the British retail finance market. Phillips and Drew said that a With a single market on the hostile takeover of a building horizon many European compa-nies would be eager to team up revoit against the board and in with a UK building society, the favour of a merger with an out-

report said.

The 1986 Building Societies Act "nost likely it would not sucmeant that societies were now ceed."

Gap between north-south

MOBILE house hunters seeking As the rise in house prices value for money should consider begin to slow, the expectation is former manufacturing towns in that the gap will narrow. the north, says a report by the Another factor is the income Centre for Environmental effect in the south and prices are Studies for Black Horse Relocation.

tion.

The gap between prices in the north and south is set to narrow during the next two years, says the report, and prices in the north will go up more sharply.

Statutes to Statute the Statute incomes are not growing fast expected to Statute the Statute that the prices.

The report emphasises that there is considerable variation between towns and cities in the north will go up more sharply. This is partly because compa-nies and people will seek to move and house prices which are high away from the congested south relative to the region.

home costs set to narrow

east and partly because earlier
house price booms - in 1973 and in the north, prices have been
1979 - were followed by a narfirming up recently, particularly
rowing of the gap.

Peter Riddell previews the local election results

Political parties free to choose own poll yardsticks

ANALYSTS will today begin sifting through the results of the local elections held yesterday in about 200 districts of Britain. As they do, they may find the outcome so comfusing that it will be possible to detect apparently contradictory implications for national politics, depending on the observer's preferred view-point.

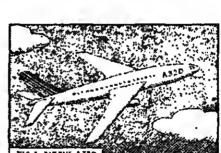
Changes in the control of local comedia, gains and losses of seats and shifts in the shares of the total vote can each be highlighted. But they do not always correspond.

For instance, the Labour Party's share of the vote in the metropolitan boroughs, the big cities and towns of the north and west biglished, but they do not always to the shares of the vote in the metropolitan boroughs, the big cities and towns of the north and west biglished, but they do not always to the share of the vote in the metropolitan properties and towns of the north and west biglished, fell from 6.5 per cent towns of the north and west biglished, fell from 6.5 per cent towns of the north and west biglished, fell from 6.5 per cent towns of the north and west biglished, fell from 6.5 per cent towns of the north and west biglished, fell from 6.5 per cent towns of the north and west biglished, fell from 6.5 per cent for what was then the Allisance (the campaigning union of the Libour as its supporters inday navigated beautiful and the own of the comment of the vote in the metropolitan points out, the seast will depend not only on the translational points out always to the properties of the vote in the metropolitan of the vote in the metropolitan points out, the seast up for elections to the vote in the metropolitan of the vote in the metropolitan points out, the seast up for elections to the vote of the vote in the metropolitan out, the feat up to the vote of the vote of the vote in the metropolitan out, the country of the vote of the vote in the metropolitan out, the country depends on the vote of the vote in the metropolitan out, the country depends on the country specially level to the point of the vote in the metrop

Owen's continuing SDP. Since the last elections the Liberals locally than nationally.

The main battle will be one of propaganda and interpretation—nise, and Tory votes tend to propaganda and interpretation—ise, and Tory votes to decline, each party claiming to bave between general elections. The sdvanced according to its own fairest yardstick for today's yardstick. But little will be quite results may therefore not be last what it seems to be.

On May 9th 1988 YOU'LL HAVE TWO CHANCES TO GO UP IN HISTORY.



Chance 1: Hamburg
Although you can already fly with the world's
most advanced airliner to Amsterdam, Berlin,
Düsseldorf, Frankfurt, Geneva, Milan,
Stockholm and Venice, you still have a chance to make history, if you catch the very first flight of the new Airbus A 320 to Hamburg.



Chance 2: Zivich
Abhough you can already fly with the world's
most advanced airliner to Amsterdam, Berlin,
Disseldorf, Frankfurt, Geneva, Milan,
Stockholm and Venice, you have yet another chance to make history, if you catch the very first flight of the new Airbus A 320 to Zürich.

THE FINE ART OF FLYING

Ford UK trebles 1987 pre-tax profits to £317m

FORD MOTOR, the UK subsidiary of the US automotive group, almost trebled its pre-tax profits last year and increased its operat-ing profits by 555 per cent as part of the dramatic recovery staged by the UK motor industry.
in recent weeks Vauxhall, the UK subsidiary of General Motors of the US, and Peugeot Talbot, the Coventry-based subsidiary of Pengeot of France, have announced record 1987 profits. Austin Rover, the volume car operations of the Rover Group, also managed a small operating profit, its best performance for a decade, although the Rover

Group still made a pre-tax loss.

Ford's UK subsidiary increased its pre-tax profits to £317m (\$590m) in 1987 from £109m e year (\$590m) in 1987 from £109m e year earlier, while operating profits jumped to £295m from £45m.

The Ford group worldwide achieved record 1987 pre-tax profits of \$7.38bn. The big improvement in the financial health of

the US operations after the heavy losses suffered in the early 1980s, has also enabled the Ford parent company to repay the last £373m of the £961m loans it had been forced to take from its UK subsid-

The big jump in Ford's UK profits played a major role in the 33 per cent increase in total net income of Ford's European operations to \$1.079bn, against a background of record industry volumes, higher market shares and improved efficiency. In the UK Ford was helped by

record registrations of vehicles and by an increase in the share of British-built cars in the com-

pany's sales to 69.4 per cent, from 64.2 per cent in 1986. The UK is by far Ford's most important market in West Europe, and last year it contin-ued to dominate both the car and light commercial vehicle sectors.
It captured 28.8 per cent of new car sales in the UK last year, more than the combined sales of its two closest rivals, Austin 80.

Rover and Vauxhall (General Motors). Ford's three models, the Escort, Flesta and Sierra, were the three best-selling cars in the

UK in 1987. According to Ford's UK annua report, the Sierra was also the best-selling fleet car in the UK lest year, taking 17 per cent of fleet sales. Ford products accounted for 49.3 per cent of all fleet purchases in the UK, the highest share the company has

nighest share the company has captured since 1963.

The turnover of the group rose 19.1 per cent to £5.2bn from \$4.37bn in 1986, while exports of vehicles, parts and accessories increased 14.9 per cent to £1.25m.

Production in Ford's UK carplants rose, for the third consecutive year, more than 11 per cent to 387,000 from 346,000 in 1986. This was despite the loss of several thousand vehicles in November and December through unofficial industrial action in the run-up to the two-week strike in February which closed all the Foreign Secretary. run-up to the two-week strike in February which closed all the company's UK plants.

company's UK plants.

The four-month period of industrial unrest cost the company about 40,000 vehicles, but it is still unclear what impact the conflict will have on Ford's 1988 financial performance. In March, its share of the UK new car market slipped to 23.8 per cent, but it is thought to have recovered some lost ground in the last cousome lost ground in the last cou-ple of weeks.

Mr Derek Barron, Ford UK-chairman and chief executive, says in the annual report that "it will be tougher in 1988 to sell the same volume of cars as in 1987." The company needed to make further improvements in effi-

ciency and productivity.

Ford's total production of cars, commercial vehicles and tractors in the UK rose sharply last year to 515,012 units from 465,552. At the same time Ford's workforce

Office assesses claims against Czechoslovakia

BY STEPHEN FIDLER, EUROMARKETS CORRESPONDENT

The agreement on claims was signed in 1962, but it has taken ered should not be assessed. A the programme should be trans-since August 1983, the deadline further 183 claimants did not pro-mitted as scheduled without any for the submission of private ceed with their claims.

THE CLEARING up of claims, for the Foreign Office to long-standing British financial come to this final assessment.

There were 888 successful private claims from British nationals, who will share a distribution of 53.8m. In total, 2207 private final assessment of British claims claims were received for about the London headquarters of the directive on the issue. including claims for the loss of land. It came with a recommenchickens which the Office consid- dation from Dr Colin Morris, that



BBC gives go-ahead to

The programme, made for the regional weekly current affairs magazine Spotlight, was cleared for showing in Northern Ireland at the scheduled time of 8.30pm

by Mr Michael Checkland, the BBC director general.

The BBC documentary includes, it is believed, new witnesses who provide corroboration for an apparent eyewitness report to the reporting interdered. to the shooting interviewed on last week's Thames Television programme Death on the Rock. The eyewitness claimed that the IRA members had put their hands up before they were shot. It was claimed at the time of the shooting, however, that the three had made movements suggestive either of reaching for a gum or a detonator before they were shot. The BBC's decision to show the

programme despite Sir Geoffrey's concern, expressed in a telephone shrank to an average level of call yesterday to Mr Marmaduke 47,000, compared with 49,000 in 47,000, compared with 49,000 in 1979/ Hussey, the BBC chairman, is 1986 and a peak of 80,000 in 1979/ likely to increase the anger of Mrs Margaret Thatcher, the Prime Minister, at Britain's Last week Mrs Thatcher made

it clear she was "beyond tury" when the Lord Thomson, chair-man of the Independent Broadcasting Authority rejected a plea from Sir Geoffrey to delay showing of the Thames documentary until after the inquests are held into the killing of the three IRA members by members of the Spe-

changes.

Sealink, P&O divided over dispute strategy BRITAIN'S two major ferry com- for two of its companies, P&O

panies vesterday appeared to be European Transport Services and divided over what strategy to P&O European Ferries (Felix-

divided over what strategy to adopt in the 14-week dispute stowe) had issued notices of involving the National Union of Seamen.

Differences over the crucial issue of negotiations with the union surfaced publicly for the first time with Peninsular and Oriental announcing further legal action against the NUS as Sealink entered peace talks with the NUS under the auspices of Acas, the conciliation and arbi-Acas, the conciliation and arbitration service.

P&O said that lawyers acting ment of the order because the

companies' operations have continued to be disrupted during the dispute.

Meanwhile, Sealink yesterday agreed to adjourn for 24 hours fresh talks with the NUS and the possels for ending further distuption by Sealink seamen who have been striking in support of Dover-based colleagues employed by P&O European Ferries.

NUS officials last night indicated that they had were anxious to pursue an agreement with Sealink that would lead to the lifting of the sequestration of the

Soviet team

defence unit

to visit

chemical

By Lyndon McLain

Unions welcome equal pay ruling

BY PHILIP BASSETT AND RAYMOND HUGHES

TRADE UNIONS are likely to increase pressure on employers for wage rises to reflect equal pay for wage rises to reflect equal pay for work of equal value following a decision yesterday by the House of Lords in a key test case.

In a move welcomed by trade unions and equal rights campaigns, but greeted with reservations by the Government and employers, five Law Lords unanimously upheld a claim by Miss Julie Hayward, a shipyard cook, for a pay increase to sive her for a pay increase to give her parity with mala workers. The case is the first brought under provisions forced upon the UK Government by the European

Court which allows claims on the basis of women's work being of Cammell Laird shipyard in Bir-equal value to that of men doing kenhead a painter, a joiner and

equal value to that of men doing different but comparable jobs.

The Law Lords overturned rulings by an industrial tribunal, the Employment Appeal Tribunal and three judges in the Court of Appeal, and said that Miss Hayward's additional benefits—facts and overtime appeal to match those of three male crafts—men at the VSEL consortium's kenhead a painter, a joiner and an insulation engineer.

Cammell Laird had argued that although the men were £24 a week better off in terms of assic pay and overtimes. Hayward's additional benefits—facts on might lead to "leapfrogued that their recognised that their decision might lead to "leapfrogued that their decision might lead to "leapfrogued that their decision that their associations in a woman's and a man's contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued that their decision that their decision might lead to "leapfrogued that their decision might lead to "leapfrogued" as both men and woman's and a man's contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as both men and woman's and a man's contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as both men and woman's and a man's contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as both men and woman's and a man's contracts, and not just the contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as both men and woman's and the man's contracts as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as both men and woman's and a man's contracts. They recognised that their decision might lead to "leapfrogued" as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as a whole as a whole, had to be compared. They recognised that their decision might lead to "leapfrogued" as a whole as a



Julie Hayward: Testing the case for equal pay

But the Law Lords said that when equal pay comparisons were being made, specific terms in a woman's and e man's con-

fighting the case for four years, said she was "delighted" with the result. She stands to gain about 25,000 in back pay as a result. Cammell Laird, which will have to pay the estimated £50,000 costs of the case, declined to comment.

of the case, declined to comment. Trade unions said they would use the Hayward decision as a tool in collective bargaining — especially in negotiating new pay structures.

Mr John Edmonds, general secretary of Miss Hayward's union, the GMB general workers, which with the Equal Opportunities Commission helped her bring the case, said it was "a magnificent victory for working women." victory for working women."

The Government would say

The Government would say only that it was studying the judgement. Ministers believe privately, though, it may have inflationary effects.

The Engineering Employers' Federation said it was against discrimination, but thought it incorporaries to make pay cominappropriate to make pay comparisons based on individua

By Lyuton McLute
SOVIET chemical weapons specialists have been invited by
the Government to visit the
Chemical Defence Establishment at Porton Down, Wiltshire, later this month after
the Soviets accepted a UK idea
for an exchange of visits as a
confidence-building measure.
In return, the Soviet Union
has agreed to let scientists
from Porton Down visit the
Soviet chemical warfare facility at Shikhany in July.
An official Soviet team, of
about 12 people, will visit Porton Down, in central southern
England, from May 24 to May
26, The visits are the first bilateral exchanges between the Soviet Union and any country in Western Europe on chemi-cal weapons. The initiative for the visits comes as negotia-tions continue at the United

Nations conference on disar-mament in Geneva, which is aiming for a comprehensive and global ban on chemical: weapons.
The visits will involve the exchange of scientific, technical and military information on chemical warfare. This will

on chemical warfare. This will include production, assessment of the chemical warfare hazard, storage, trials, detection, protection, monitoring, decontamination, medical countermeasures and disposal. The programme at Porton Bown will be designed to maximise the opportunities for the

He said he hoped the visit to Shikhany would produce a "dialogue" about the size of the Soviet stockpile

Philip Bassett examines implications of the Lords' ruling

Law faces deeper disagreement

The root of the provisions is clear; to ensure that women in quences of this action." said Mr segregated jobs could claim equal John Edmonds, head of the GMB separal union, yesterday of the their work was of equal value to Lord's ruling on equal pay for that of men doing different jobs. Their effect has been more obscure, though, due at least partly to their labyrinthine procedures.

In practice though the case.

in practice, though, the case
In practice, the pra cial Air Service.

The BBC programme was sent the European Court after it found value provisions were introvesterday to Broadcasting House,

Britain in breach of a 1975 EC duced, she tabled the first claim

The disagreement is over what yesterday, four years later; a the provisions mean, on how use result which should entitle her to ful they are as a legal rather than back pay of more than £5,000. collective bargaining tool and on how widespread are their impli-

T DON'T see how any employer The root of the provisions is

in the UK. She got her result But employers were yesterday asking how widespread the rami-

would really be. Both the Confed- to 50 per cent, though others say eration of British Industry and the Engineering Employers' Fed-eration suggested that the judge-any such labour cost increases ment may only further compli-cate an already complex law,

Lord Goff spoke in his judge-ment yesterday of possible "leap-frogging." Mr Joe O'Hara, GMB national legal officer, forecast only two such leaps: women using the judgment to level their basic pay with men, and men in return using it to obtain the ben-efits in kind which Campell Land Miss Hayward's employer.

those in such sectors as retailing. which employ a high proportion Miss Hayward's case is far

from being the last employers, employees or their unions will see of the equal value provisions. On Monday, the House of Lords only two such leaps: women on Monnay, the House of Lords using the judgment to level their will begin to hear the appeal to hear the such men, and men in the case brought by Mrs Irenerity in kind which Cammell Laird, Miss Hayward's employer, insisted throughout the case took pany are doing the same work her total pay package to levels in but are classified differentiact higher than that of her male colleagues. even greater importance than the Hayward case.

For now, though, union leader: asking how widespread the rami-fications of the Hayward case that labour costs could rise by up Commission are celebrating. imise the opportunities for the exchange of information between the two sides," the Government said yesterday. Dr. G. Pearson, director of the Porton establishment, who was part of an international delegation that visited Shik-hany for the first time in Octo-her last year, said yesterday could and could not be said.

FT LAW REPORTS

Disclosure order is confined to Mareva injunction limits

Gibson)

WHERR A post-indement Mareva injunction is limited to assets within the jurisdiction, any order for discovery or disclosure should be similarly limited. except in exceptional circumstances in which support of the Mareva necessitates disclosure of

when dismissing an appeal by Mr John Reilly and Mrs Anne Reilly from Mr Justice Boreham's decision refusing to order Mr Keith Fryer to Identify his assets held

LORD JUSTICE MUSTILL said that as a result of numerous loan Fryer owed Mr and Mrs Reilly more than fim. On January 25 1985 Mr and Mrs Reilly issued a

On September 7 1987, Mr Fryer consented to judgment for £2m. He did not start to satisfy the judgment. Mr and Mrs Rellly sought a Mareve injunction to maintain the position until they could get the machinery of execu-

First they sought an order to restrain Mr Fryer from removing any of his UK assets out of the

amounts outstanding.

The Court of Appeal so held to order the second head of relief.
when dismissing an appeal by Mr In Ashtiani v Kashi [1986] 3 WLR 647 the Court of Appeal

when a Mareva injunction was which were not known to be pres-limited to assets within the juris-ent within the jurisdiction.

REILLY & ANOTHER V FRYER
Court of Appeal (Lord Justice for disclosure of (a) the full value
Mustill and Lord Justice Ralph of his assets within or without have been made under the control of the country of the coun of his assets within or without have been made under (c). Mr the jurisdiction; (b) the nature and Mrs Reilly argued that it was and whereabouts of all such believed that the proceeds of the assets; and (c) if the assets were loans had been applied in making loan contracts, identification of further loans outside the jurisdictive other contracting party, and tion; that the only person who full terms of the loans and knew whether those loans were amounts outstanding. A Mareva injunction was Mr Fryer; that it must be granted applying only to Mr assumed in advance he could not Fryer's assets within the jurisdic-

Mr Justice Boreham declined policed by the court; and that the porder the second head of relief. only way in which that could be in Ashtiani v Kashi [1986] 3 done was to extract from him at the outset all necessary details of held that a Mareva injunction the loan. sought before trial should be limited to assets within the jurisdic- to reject the argument. Once one

diction, there ought to be no Mr and Mrs Reilly appealed. applied. Items (a) and (b) of the order Either there were no loans fall-

account unless his respon

Mr Justice Boreham was right tion, and any ancillary order for took Ashtiam as the starting discovery should be similarly point for proceedings after judgment, the logic and spirit of the Basing himself on that decision decision required the court to Mr Justice Boreham held that abstain from investigating assets

Mr Fryer, in an affidavit discloorder for discovery of foreign sing his assets within the jurisassets, except in circumstances diction, asserted there were no
which made such order necessary
assets in the shape of loans to to support the Mareva injunction. which the Mareva injunction

sought could not possibly be jus-ing within the Mareva injunction, tified. Disclosure would identify or Mr Fryer had mialed his advis-assets to which the Mareva ers. If Mr and Mrs Reilly were to injunction could not apply. The have any remedy it should not Munchester) tudge was correct in declining to take the shape of inserting retro- For Mr Fryer: Steph order disclosure under those spectively into the judge's order QC (Livingstone & Co)

a disclosure requirement wider than the principles would permit, but rather to pursue by whatever means might be available an enquiry into the truthfulness of

That would not be an affidavit designed to disclose assets out-side the jurisdiction, but would be an affidavit designed to test the veracity of Mr Fryer's eath as to assets within the jurisdiction.

It would not be proper for the present court to make an order enabling Mr and Mrs Reilly to explore the truthfulness of what Mr Fryer had said in his affidavit. To do so would not be to rule on the appeal, but to make a new order of a different juristic type from the one in suit before Mr Justice Boreham, It might be open to Mr and Mrs Reilly to obtain relief of that kind from a judge at first instance.

There was no respect in which Mr Justice Boreham's initial

LORD JUSTICE RALPH GIB-SON agreed.
For Mr and Mrs Reilly: Giles Wingate-Saul QC and Cohn Statt (Penningtons Ward Bowle, for Goldberg Blackbarn & Howards, For Mr Fryer:Stephen Grime

Post-judgment Mareva allowed on foreign assets

BABANAFT INTERNATIONAL CO SA v BASSATNE Chancery Division:Mr Justice Vinelott: April 18 1988 THE COURT may grant an injunction restricting a judgment debtor's dealings with his foreign assets if judgment was for a liquidated sum and the

injunction is necessary to sup-port an order for oral examina-tion as to his means of satisfying Mr Justice Vinelott so held when granting an injunction to Bahanaft International Company

SA restraining judgment debtors, Mr Bahedine Bassatne and Mr Walid Bassatne from dealing with their foreign assets without first notifying Babanaft. HIS LORDSHIP said that in an

action brought by receivers of Babanaft the defendants, had been held liable to indemnify Babanaft for over \$15m. Babarati applied for an order pursuant to RSC Order 48 for oral-examination of the defendants as to their assets available to meet the judgment debt; for disclosure of the value of such assets; and

dants were ordered to make

defendants would be likely to take any step open to them to frustrate or delay execution. There was no reason why it should decline to grant an injunction where the asset was moveable property situated abroad, provided it was satisfied the improved it was satisfied the improv

context of the pre-judgment Mar-his a not grant an injunction to

Lord Justice Dillon in Ashtiani, after judgment. It could hardly be said "First it could vary well said to be oppressive for a plainthat...his assets everywhere in any jurisdiction which gave it should be frozen...Secondly, it is difficult for the English court to control or police enforcement.

Miss Dohmann for the defendants placed considerable religions in other invisities.

pending payment to Babanaft.

An order for oral examination was made by consent. Also, the the power, now contained in borne in mind in deciding Order 48, to order a defendant to whether to grant an injunction full disclosure of their assets

During the hearing the court

reached the conclusion that the
defendants would be likely to

The content of the conclusion that the
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injunction would be effective and content to limit the injunction or before examination. would not invade the sovereignty of a foreign state.

It was well-settled that in the disclosure by the defendants of the pre-independent Martin the purished the pre-independent Martin the purished the pre-independent Martin the context of the pre-independent Martin the context of the pre-independent Martin the purished the puri

Lord Justice Dillon's first rearestrain a defendant from dealing son in Ashtiam for refusal to sonable notice of their intention with his assets outside the juris-diction.

The reasons were explained by

Lord Justice Dillon in Ashtiani,

control of police enforcement proceedings in other jurisdictions. Third, discovery involved invasion of an otherwise absolute right to privacy...Fourth...the object of a Mareva injunction is

dants from dealing with their assets from outside the jurisdiction without giving Babanaft reaor, if appropriate, to apply for tment of a receiver. An injunction was granted in those limited terms.
For Babanaft: AG Clarke QC,
Simon Mortimore and Charles
Haddon-Cave (Holman Femulick &

JAPAN

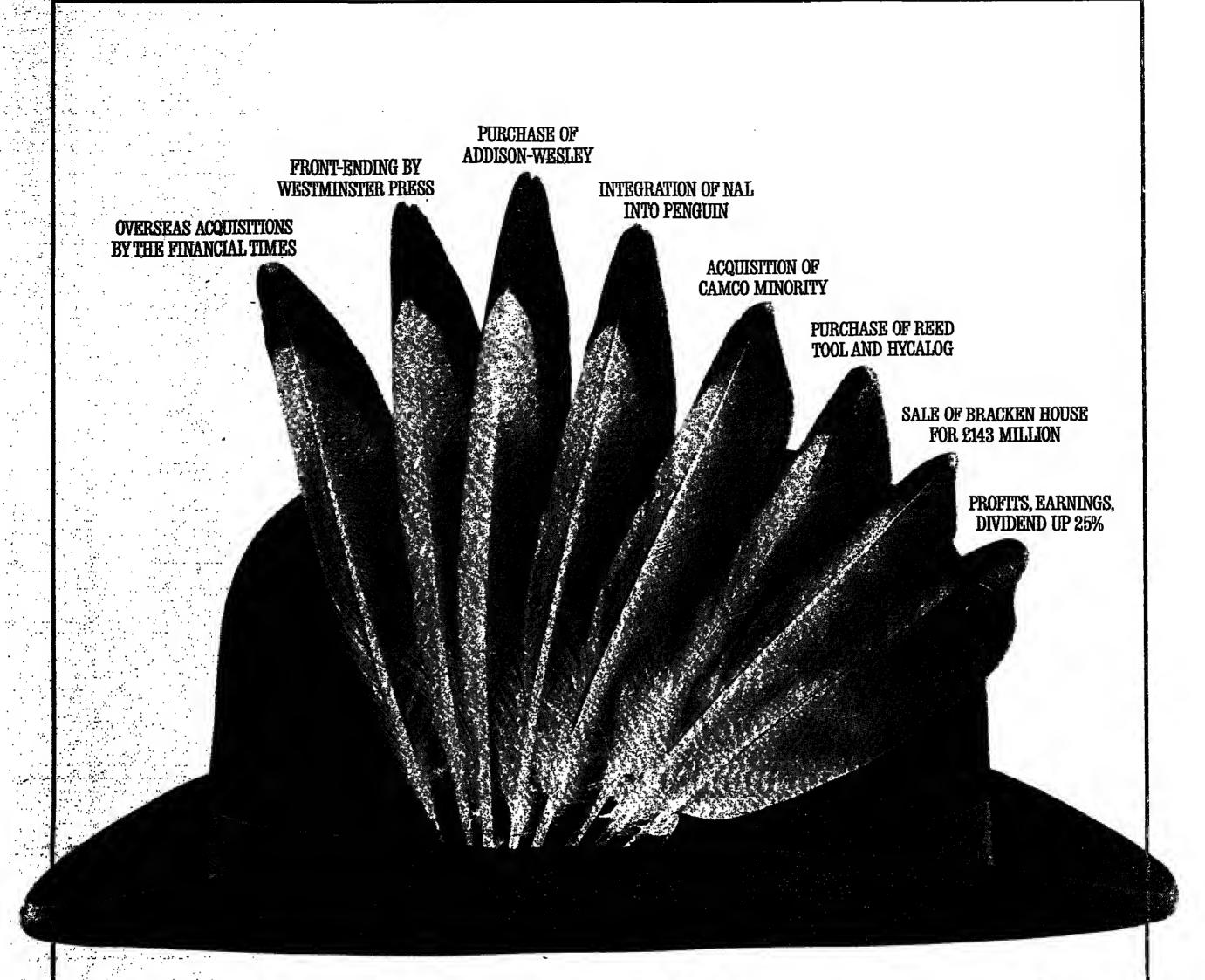
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Retailing plans beset by uncertainty

THE Government is under pressure to clarify planning policy for shopping complexes outside town centres. And publication last January of policy guidance for local planning authorities has done nothing to diminish it.

there should be retail expansion, but where that expansion should be an appeal to the department take place. The answer is crucial if it refuses to act, the matter to private sector investment reverts to the department. And, flows. It is also important for the in any case, the department autofuture of the Government's inner matically scrutinises all applica-

cities regeneration policy.

The difficulty with existing policy is that it remains unclear to

Eut it is remains to the concervation of the conce

that it is not the function of plan-ning policy to inhibit competi-tion. On the other hand, planners Meanwhile, there are four con-

The Government makes quite But the role of the shopping comclear in its guidelines that major plex outside the traditional town retail developments are not generally acceptable in the country. The US experience is that side and should not occur in the department stores lead other Green Belt. Outside urban areas, retailers out of town, close to they may be permitted if they where the shoppers live, and in reclaim derelict land, but within many places left a commercial urban areas planners need to pay hole. But there is no comparable

bility" question.

The immediate practical point however, is not the interpretation of the guidelines by local authorities but by the Department of Environment and its inspector-The question is not whether ate. If a local council refuses a here should be retail expansion, planning application, there may tions concerning more than

The difficulty with existing policy is that it remains unclear to retailers, developers, investors and even the planners themselves.

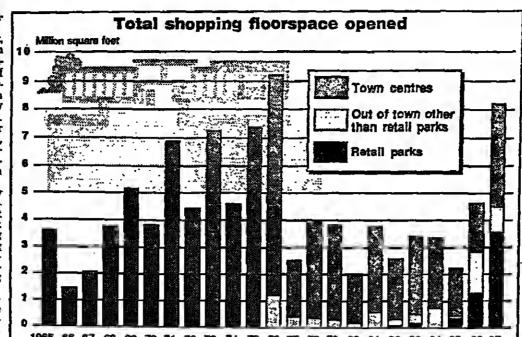
It is designed to hasten rather than hinder economic development. Thus, for big retail developments, the guidelines reiterate that it is not the function of planning enquiries — among them demands for new shopping centres around Manchester, Birmingham, Exeter and on the London periphery — now going

should consider whether major developments "could seriously affect the vitality and viability of a nearby town centre."

It involves is a halancing trick for the planners, the basis for whose decisions is made the more precartous by the lack of definition of "vitality and viability."

The Government makes quite Meanwhile, there are four consequences of the uncertainty. The sequences of the uncertainty. The first is that there are no yard-sticks on which to base decisions. The role of the retail warehouse in the shopping patterns of the UK is well established and gathering strength. Healey and Baker, chartered surveyors, calculates that rental levels for prime warehouse rose 15 per cent last year.

The Government makes quite



British experience. There are plenty of consultants' reports based on hypotheses, but precious little empirical evidence about the effect on town centres of major developments out of seat their early hopes of the new integral of the seat of the s town.

On this question, the MetroCentre at Gateshead, the nearest thing in Britain to an out-of-town US shopping mall, sheds little centre.

Centre.

The second point about the sionist pressure, nurtured by an increasingly car-borne and demanding public, that planning ment decisions in spite of it. Hill-

Third, the retailers, according to the survey, would prefer to expand inside rather than outside town centres, but they are con-cerned about customer access and the level of amenities. Hence the moves by the British Council of Shopping Centres to promote the role of the town centre man-ager. In response to this, Mr William Waldegrave, Minister for Housing and Planning, has given pep talks to local authorities about the need to spruce up town

Retailers, though, will go where they can trade. They may have a preference for the town centre, but if there is a movement outwards then that is where they will be forced to go. This sort of view has been expressed by the John Lewis

Partnership.

Fourth, there is a limited amount of funds available for investment, despite the prosper-ity of the retail sector. So the more that is channelled out of town, the less there is available for inner city schemes.

Now, it is certain that there will be more metrocentres. It is equally certain that there will be more changes in town centres. As the accompanying chart indicates, it is in the town centres that most of the new shopping schemes have been built so far.

The niggling worry for the future is what will happen to shops on the periphery of town centres. It is likely to be these which will be hurt most by the schemes both in and out of town.

Discussing the ins and outs

THE OXFORD GROUP is both new and measure. Last year a group of disparate companies started to meet to discuss the in-town/out-of-to shopping question and managed to work out a common view. It wrote to Mrs Margaret Thatcher, the UK Prime Minister, and had quiet talks with Mr William Waldegrave, the Minister for Housing and Physiolog.

The membership list is a cross section of those interested in swalths From the multiples, there are Boots, C&A, Dixons, John Levis and H. South. The developers involved are Glangato, Ladbroke City and County Land and Rugby Securities. From the investing financial institutions come Norwich Union and Royal Life. And the characteristic surveyors are Edward Erdman, Bernard Thorpe and Gooch and Wagstuff. Management Horizons, the consultants, is also a member.

There are numerous supporters, but the notable absences include Marks and Spencer, Aradale Shopping Centres (now part of P&O Property), Capital and Counties and the Protential Corporation.

The main concerns of the Oxford Group reflect the uncertainty about shopping policy. "There needs to be a balanced approach. The Oxford Group is not High Street protectionist, it is not against out-of-town, but it does want a balanced approach," says Ross Davies, fellow of Templeton College's Oxford Institute of Retail Management, which is providing the group's secretariat.

But, because the group wants wants balance, it also wants clarity. It would like to know what criteris the Department of Environment impectors use in the adjudication of planning appeals for the major retail developments. "If the private sector were informed, it would create a lot more cartainty about where they direct their investment," says Mr

A significant point here for the Oxford Group will be the way regional planning guidelines define a shopping development policy that lits into the already published national policy. The winding up of the old metropolitum authorities, like the Greater London Council, has forced borough and city councils to co-operate in order to work out what they would like the Environment Secretary to include in the regional guidelines.

So for these have only been issued for the West Midlands and they mirror the national guidelines. Existing shopping centres will remain the main focus for the provision of shopping, but that need not prevent some development taking place elsewhere. However, and this is the surt of greater precision the Oxford Group wants, additional centres of Im aq it or more are unlikely to be justified, according to the guidelines.

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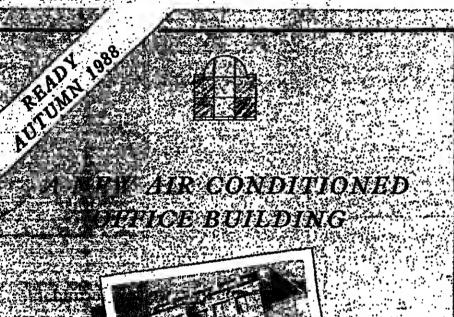
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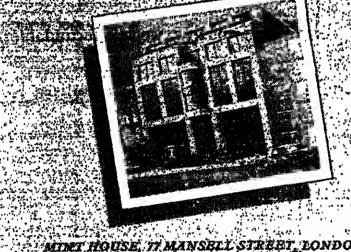
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FINANCIAL TIMES

Company Notices

SCHERING

Notice of **Annual General** Meeting

Shereholders ere invited to attend this year'e Annuel Ganeral Meeting, which will take place on Wednesday, 15 June 1988 at 10 e.m. at the Internetional Congress Centre Berlin, Messedamm/ Neue Kantstrasse, 1000 Berlin 19 (Cherlottenburg).

 To present the epproved accounts, the group eccounts, the ennuel report for Schering A.G. end the group ennuel report for the business year 1987 together with the report of the Supervisory Board. 2. To resolve upon the eppropriation of

the net profit for the year 3. To resolve upon discharging the

Board of Menagement.

4. To resolve upon discharging the Supervisory Board.

5. To elect en edditionel member of the Supervisory Board. 6. To elect the euditors for the fiscal year

The complete egenda, including the resolutione put forward, is due to eppear

in the 6 May 1988 issue (No. 86) of Bundesanzeiger (Federal Gazette). Please refer to this announcement for details of the egende end of the procedure for depositing shares in order to ettend the Meeting. Cloeing date for such deposits will be Wednesday, 8 June 1988.

Pursuent to Section 125 of the German Companies Act we have sent Notices to Shareholders end the abridged version

(Securities Code Nos.

Berlin end Bergkamen

Schering Aktiengesellschaft

717 200 end 717 201)

of our annuel report for 1987 intended for all holders of Schering sheres to every bank holding Schering sheres in safe custody, for them to pass on to all holders of Schering shares. Shereholders who have their Schering sheres held in safe custody by a bank and have not as expected received these documents from their bank by the beginning of June 1988 ere requested to apply for them to their benk.

(Incorporated in the Republic of South Africa) Registration No.71/07001/06

Notice to holders of 15.5 per cent

unsecured convertible debentures

1988-1991 -- interest payment No. 8 Notice is hereby given that in respect of the interest on the debentures for the period January 1 1988 to June 30 1988, warrants

bearing the latter date will be posted from the Johanne

United Kingdom offices of the transfer secretaries on or about Monday, June 20 1988 to debenture holders registered at the close of

business on Friday, May 20 1988. Debentures surrendered for

registers and registers of debenture holders will be closed from Saturday, May 21 to Saturday, June 4 1988, both days inclusive.

Registered debenture holders paid by the United Kingdom Registrars will receive their interest in United Kingdom currency

converted at the rate of exchange applicable on Monday, May 23

1988. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before Friday, May 20 1988.

In terms of the Republic of South Africa Income Tax Act, 1962, as

amended, and the proposed amendment thereto as announced in the

1988 Budget Speech a withholding tax at the rate of 10 per cent will

be deducted by the company, where applicable, from the interest accruing in the period to March 16 1988 to those debenture holders

whose addresses in the registers of debenture holders are outside the

Republic of South Africa. Interest amounting to R20 or less accruing

conversion will only bear interest until June 24 1988. The transfer

The Board of Management

EAST RAND GOLD AND URANIUM **WESTERN DEEP LEVELS LIMITED COMPANY LIMITED**

(Incorporated in the Republic of South Africa) Registration No. 57/02349/06 Notice to holders of 12 per cent unsecured debentures 1986-1993 interest payment No. 16

Notice is hereby given that in respect of the interest on the debentures for the period January 1 1988 to June 30 1988, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about Monday, June 20 1988 to debenture holders registered at the close of business on Friday, May 20 1988. For that purpose the transfer registers and registers of debenture holders will be closed from

Saturday, May 21 to Saturday, June 4 1988, both days inclusive. Registered debenture holders paid by the United Kingdom Registrars will receive their interest in United Kingdom currency converted at the rate of exchange applicable on Monday, May 23 1988, Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before Friday, May 20 1988.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, and the proposed amendment thereto as announced in the 1988 Budget Speech, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest accruing in the period to March 16 1988 to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

FIDELITY BALANCED PORTFOLIO

Societe d'investissement a Capital Variable

13 Rouleward de la Foire

R.C. Luxembourg B 25918

Notice of Annual General Meeting

NOTICE to hereby given that the Annual General Meeting of the Shareholders of RDELITY BALANCED PORTFOLIO, a societe d'investissement a capital variable organized under the laws of the Grand Ducty of Lusembourg (the "Fund"), will be need at the principal registered office of the Fund. 3 Boulevard of a Folice, Lusembourg, at 11 a.m. on May 25, 1980, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Statutory Auditor;
3. Approval of the balance sheet and income statement for the focal year ended January 31, 1985;
4. Election of seven (7) Directors, specifically the re-election of the following seven (7) present Directors; Messins, Edward C. Johnson 3d, William J. Byrnes, Charles A. Fraser, Hasselh Kurckarva, John M. S. Patton, H. F. van der Hoven and Compagnie Piduciaire;
5. Election of the Statutory Adultor, specifically the election of Coopera & Lybrand, Luxembource.

Supposed in the Sastuary Patalon, appealably the electric to copera a Lycrania, Liberthoury;

5. Declaration of dividends on the Fund's Class A and Class B shares in respect of the Fund's Articles of an appeal to the Fund's Articles of an appeal to the Fund's Articles of lincorporation which presently provide that any owner of either or both Class A and Class B shares which constitute is the appropriate more than 3% of the number in the appropriate which constitute is the appropriate more than 3% of the provisions on amended to powner that Fund to require any beneficial owner of either or both Class A and Class 3 shares which constitute at any time in the appropriate more than 3% of the appropriate outstanding shares of both classes to redeem the excess.

8. Consideration of such other business as many property come before the receipt.

8. Consideration of such other business as may properly come before the meeting.

With the exception of flam 7, approved of the above items of the agende will require the
attimative vote of a negority of the shares present or represented to order for a quorum to be present,
respect to item 6, each class will vote separately its approved of the divident to be paid on
shares of that class: the affirmative vote of a negority of the shares of that class present or represented to the differentive vote of a negority of
the vote of the combined classess present or represented to the meeting to approve the
stirvidend. Approved of tem 7 will require a quorum of to least a majority of
the startes existenting on the Meeting. If a quorum to to least a majority of the shares
existenting on the Meeting if a quorum is not present, item 7 may be voted on of an
ediperreed assessor of the Meeting, it outsich no referense meant, item 7 may be voted on of an
ediperreed assessor of the Meeting, it outsich no referense number of shares will be required to
be present or represented at the desting, to which no referense number of shares will be required to
be present or represented in order for a quorum to be present. Subject to the limitations
imposed by the Articles of incorporation of the First with regard to consensible to define or
both Class A and Class B always which considers in the aggregate more than three parcent
(7%) of the aggregate shares of both classes activorized for issuance, such share is estimated
to one vote. A shareholder may act at any meeting by procy.

PROPERTY TO RENT

Furnished lettings Company and

Embassy Lets Long and Short Term

All appear in the FT every

Monday and Saturday

Further details from Clive Booth,

TELEPHONE 01-248 5284 FAX 01-248

4601

BY ORDER OF THE BOARD OF DIRECTORS

Art Galleries

Dated: April 13, 1986

Clubs

EVE has outlined the others because of a policy on fair play and value for money. Support from 19-3-20 am. Disco and top masiclars, glamor-ous frostesses, exciting teorshows. 189, Regent St., 01-734 0557.

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED per J. H. Perry, Companies Secretary

Transfer Secretaries Consolidated Share Registrars Limited First Floor, Edura 40 Commissioner Street Johannesburg 2001

(K.O. Rox 61021 Marshalltown 2107)

Hill Samuel Registrars Limited 6 Greencoat Place London SWIP 1PL Johannesburg May 5 1988

Marshalltown 2107) London Office 40 Holborn Vinduct London ECIP IAJ

Johannesburg 2001

Registered Office

44 Main Street

(P.O. Box 61587

Hill Samuel Registrars Limited

Transfer Secretaries

First Floor, Edura

(P.O. Box 61051

Marshalltown 2107)

40 Commissioner Street

nnesburg 2001

6 Greencoat Place London SWIP 1PL May 5 1988

in any one year is exempt from the tax.

Consolidated Share Registrars Limited

GGG

Registered Office 44 Main Street

(P.O. Box 61587

Johannesburg 2001

Marshalltown 2107)

40 Holborn Vinduct London EC1P 1AJ

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

per A. J. S. Sebba, Companies Secretary

UNILEVER N.V. DIVIDEND ON CERTIFICATES FOR ORDINARY CAPITAL ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

Final dividend payments in respect of the year 1987 will be made on or after 20 May 1988 as follows:—

converted at F13.5160 = £1.

DUTCH DIVIDEND TAX relief is given by cartain Tax Conventions concluded by the Netherlands. A resident of a convention country will, generally, be fishly to Dunch dividend tax at only 15% (F1.1385, 32.3805) por sub-share) provided the appropriate Dutch exemption form is submitted. No form is required from UK residents if the dividend is claimed within aix months from the above date. If the sub-shares are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tax at 25% (F1.18975, 63.9676p per sub-share) will be deducted and will be allowed as credit against the tax payable on the profits of the establishment. Residents of non-convention countries are liable to UK INCOMETAX or the

Outch dividend tex at 25%.

UK INCOME TAX at the reduced rate of 10% (21,5870p per sub-share) on the gross mount will be deducted from payments made to UK residents instead of at the basic rate f25%. This represents a provisional allowance of credit at the rate of 15% for the Dutch ividend tax already withheld. No UK Income tex will be deducted from payments to on-UK residents who submitten inland Revenue Afridaytt of non-residence in the UK. To obtain payment of the dividend sub-share certificates must be listed on Listing orms obtainable from:

Mildigate Residents.

Forms obtainable from:

Midland Bank pic, Stock Exchange Services Dept., Mariner House, Pepys Street, London, EC3N 4DA

Northern Benk Limited, 2 Waring Street, Belfast 871 ZEE
Clydeadale Bank PLC. 30 St Vincent Place, Glasgow.

Separate forms areavailable for use (a) by Banks, UK firms of Stockbrokers, Solicitors or Chartered Accountants (b) by other distinants. Notes on the procedure, in each case, are printed on the forms.

re printed on the forms.

DUTCH CERTIFICATES OF FL.1000, FL.100 FL.20 and FL.4

A dividend of Fl.2.53 per Fl.4 against surrender of Coupon No 2. Coupons may exceed through one of the paying agents in the Notherlands or through Midland and pic; in the latier case they must be listed on the special form, obtainable from a Bank, which contains a declaration that the certificates do not belong to a etherlands needed.

Bank pic; in the latter case they must be unated the certificates do not pesuing at the Bank, which contains a declaration that the certificates do not pesuing at the Bank, which contains a declaration that the certificates do not pesuing as set out above except that UK residents liable to Dutch dividend as at only 15% must submit a Dutch exemption form. No form in required from UK residents holding "K" certificates if the dividends are claimed from Middand Bank pic within six months from the above date. If the certificates are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tox at 25% will be deducted and will be allowed as credit against Dutch tax psychole on the profits of the establishment. Dutch dividend tax on this dividend is FL0.8325 at 25% and FL0.3785 at 15%. The proceeds from the encastment of coupons through a psying agent in the Netherlands, but on the profits of the stable threateneds will be credited to a convertible fiorins account with a bank or broker in the Netherlands.

A statement of the procedure for claiming relief from Dutch dividend tax and the encashment of coupons, including names of paying agents and convention to the coupons, can be obtained from Midland Bank plat the above address.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR London Transfer Office, Midland Bank ple, Stock Exchange Servi Department, Mariner House, Pepys Street, London EC3N 4DA.

4 May 1988.

Contracts & Tenders

HUMBERSIDE COUNTY COUNCIL ADDITIONAL VOLUNTARY CONTRIBUTIONS

(In-house scheme arrangement) The Humberside County Council is to introduce an AVC facility for members participating in the Local Government Superannuation

Applications are invited from institutions providing AVC facilities. (It is not the intention to consider proposals from agents and

If you are interested, please cootact Mr Stonehouse on Ext 3232 telephone 0482 867131 or write to Director Finance, Humberside County Council, PO Box 13, County Hall, Beverley HU17 9AB, Applications should be made by 18 May 1988.

NOTICE OF MEETING

Anount General Meeting stone is hereby given that the hearty-size arms general meeting of the RTZ Corporation P.C. wit be held at the Grovenor House (Safroors Entranco). Park Lane, Lendon VII on Thursday 2 June

(a) generally multiprised purisibility to and in accordance with Section 50 of the Contential Section 50 of the series of the med annual section on the Company to sife and make offers or agreements to allot relevant securities up to an aggregate nominal amount of 223,001,250 provided that equity securities allowed or offered or agreed to be allotted wholey for cash otherwise than in connecting the section 50,000,240.

and (b) empowered to allot and to mere offers or agreements to allot equity securides; pursuant to and during the period of the seld authority na if Section 38(1) of the maid yield did not apply to any such allot-

"rights issue" means in offer of securi-ties open for acceptance for a period fised by the directors to holders and ordinary shares (and accumulating ordinary shares. If amy), on the register on a record date food by the directors in proporation to such holders' shen holdings of each shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deak with trational entitlements or legal or practical prob-ters under the less of any regulatory the requirements of any regulatory

ii) words and expressions defined in or for the purposes of Part (V of the Com-panies Act 1985 bear the same membry.

the directors having resolved, in accor-dance with Articla 3.3 (3) of the Company's Articles of Association, to con-vern the whole of the Accumulating Oriolaxy Shares (being less than 5 per cent of the number of the Ordinary Shares to lesse) into Ordinary Shares with office from 1.3th 1398.

(a) with effect from that date (but subject to the pageing of the extraordinary resolution set out in the notice of the meeting of helders of the per cent convertible unnecared loan stock 1955/2009 of the Company dated 5 May 1920; the Articles of Association of the Company be amended to the form of the printed document authantical to the meeting and aligned for the purpose of identification by the Chairman and accordingly that the additional Accumulating Ordinary Shares satisfing Ordinary Shares on that date shall, upon effectment, stand converted into Ordinary Shares, and

(b) approval be and is hereby (but subject as allocasely given for the Board to deter-toling an annunce that ordinary shareholders of british holders of Singre Warrants will be entitled to allost to receive an elicitment of additional Ordinary Shares credited as fully paid in lifes of any dividend (or any part thereof declared or proposed to any time after the date of the passing of this resolution and prior to or on the date of the passing of this resolution and general meeting of the Company.

3. To consider and, if thought fit, pens the following resolution which will be proposed as an ordinary resolution, namely that:

pursuant to article 78 of the Articles of Association of the Company, ine aggregate ordinary remuneration of the directors shall remain at \$110,000 per annum but that this ordinary remuneration of annum but that this ordinary remuneration.

6 To consider the Company's eccounts and the report of the threctors and audi-tors for the year ended 31 December 1987 and to declare a dividend on the ordinary

A member entitled to astend and vote at the meeting is entitled to appoint does or store produce to attend and, on a poli, vote instead of thin. A proxy need not be a member of the Company. The instrument appointing a proxy, together with any power of attorney under which it is signed, stread reach the Transfer Office of the Company, as shown in Note 3, not tees than 48 hours before the time-appointed for boilding the meeting.

By order of the Board, FS Wigley Secretary 6 St James's Square London SWIY 4LD 8 May 1986

NOTE

1 Only holders of the ordinary or accumulating ordinary shares or the "2" cumulative preferences shares are entitled to attend and wote at the meeting. 2 A proxy may not speak at the meeting except with permission of the meeting.

2 A holder of a share warrant to boerer, who dearines either to attend the meeting or to appoint one or more prodes in attend, and on a poil, well instead of him, will receive a tecter of admission on depositing at the Company's transfer office to 1 Reddill Street. Bristol EST 6NT, to least 45 hours before the meeting, swritten request for the issue of the ticket (and, if dealined, a form of proxy) together with either the share warrant or a certificate signed by a benk, stock-broker or solicitor within the UK, the Channel Islands or the tale of Man starting that the share warrant is in the custody of such bush, shockwider or solicitor and will be retained in such cashedy until effect the close of the meeting. If the form of proxy is to be used, it must on completed and returned to the transfer office so et to be received at teest 45 hours before the meeting.

4 A copy of the proposed zemented Articles of Association will be available for impection at the registered office of the Company and to the offices of Linkagers & Palyes. Berrington House, 59-87 Greahpan Street, London ECZV 7JA cluting teach business hours on any weekeley (Saturdays and public holders are subsidiaries will be available for image-cine and at the Growner riouse for at teest 15 minutes prior to and cluring the meeting.

5 Copies of confracts of service of directors of the Company or of its Lik subsidiaries will be available for image-cine and at the Company or of its Lik subsidiaries will be available for image-cine and the Company or of its Lik subsidiaries will be available for image-cine and the company or of its Lik subsidiaries will be available for image-cine and the company or of its Lik subsidiaries will be available for image-cine and such company or of its Lik subsidiaries will be available for ima

A DIVIDEND has been Declared of 0.0p per share payable to the holders of Ordinary Shares registered on 30th June, 1988 and to holders of Couper Mr. 118 attached to Ordinary Share Warrants to Bearer. The dividend will be pad on 4th July, 1982. Coupons the locked with Securities Department, Hill Samoet & Co Lented, 45 Beach Sarest, London 8022 2LX, where testing forms can be obtained.

By Order of the Board of Directors.

X.E. Scoon,

Eshritz Manua.

Fairtes House, Futwood Place, Gray's Inc., London WC1V BUB.

NOTICE IS HEREBY GIVEN that for the Interest Period commonding 9th May 1888, the Notes will have missent at the rate of 81% per amount. The interest poyethe on 8th August 1988 against coupon No. 15 will be US\$201.83 per US\$8,750 Nominal.

Agent Bank ORION ROYAL BANK UNHTED

NOTICE TO BOND HOLDERS CITY OF COPERHAGEN 30,000,000 European Volta Of ount 7% 1972/1992 Bonds

laren for

. .

Persuant to the provisions of the Purchase. Fund, notice is hereby given to Bondrood-or's that, nominal UA 237,000-2000 purchased for the Purchase Fund during the treatve-month period from Aliny 2, Vigar In May 2, 3082.

ROTICE TO THE HOLDERS OF BOMPS OF THE BUILD OF USE \$0.000.001 STEEL COMMENTY

The Commission of the Europeas Commis-ation announces that the annual installight of bands amounting to USS 1.750 000. has been purchased for redemption on there is, test. Amount to crucketon after June 18. USS 30,760,000.

LIBRA BANK PLC ented in England Housed Hability) US\$100,000,000 bordinated Floating Rate Notes due 1995

Public Notices

Dated this 25th day of April,1986 . . SI THE MATTER OF

Notice is hereby given that the creditors of the above-samed Complety, which in being voluntarily wound up, are required, on or before the sten day of ARAY. 1963, so send in their fail Christian and summers, their addresses and descriptions, full perforance of their cable or dairns, and the natives and addresses of their folicitors (it arry), to the undersigned Brian fills; Booth, Write S. Co. of 1 Wardrobe Pauce, Cartor Lens, Sr Paule, London ECAV SAJ the Liquidator of the said Company, and if so required by nutice in writing for the said Liquidator, are, personally or Dy their Solicitors, in come in and prover self-rebet or relative at such time stud place as abait he specified in such time stud place as abait be specified in such time stud place as abait to specified in such time stud forms the boness; of any distribution rande before such debts; are proved.

Dated this 25th day of April 1986

Legal Notices

CHANCERY DIVISION IN THE MATTER OF:

ANO IN THE MATTER OF: THE COMPANIES ACT 1965

AND NOTICE IS PURTHER GIVEN that the said Patition is directed to be beard before the Hon-ourable Mr Justice Warner at the Royal Course of Justice, Strand, London WC2A 211, on Mon-day the 22rd day of May 1988.

Dated this 29th day of April 1958

ECAY GAD

The Financial Times proposes to publish this survey on:

10th June

For a full editorial synopsis and advertisement details. please contact:

London

CRAWLEY OFFSET LIMITED M THE MATTER OF THE COMPANIES ACT 1948

IN THE COURT OF JUSTICE

ANY Creditor or Shareholder of the said Com-pany desiring to oppose the making of as order of the confirmation of the said canonization of the Share Petrolum Account strend appear at the line of bearing in person or by Coursel for

A copy of the said Petition will be furnished to any such person requiring the same by the under mentioned Soltetors on payment of the regulated charge for the same.

Tel: 01-853-6555 Ret. 80/717858 Solicitors for the above seased Costopany

ESSEX

Brett Trafford

on 01 248 5116. or write to him at:

Bracken House 10 Cannon Street

EC4P 4BY

Aker Norcem builds for the future

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Hil

For Aker Norcem, heavily gins were coming under pressure. involved in the cement and building materials, real estate and offshore industry businesses, one way to prepare for the new man-her is to acquire stakes in EC-based companies. Another way is to grab as many stakes in companies outside the Community for the purpose of alternative strate-gic positioning.

The company also has plans to seek a listing on the London Stock Exchange by the middle of next year.

next year. After Mr Heiberg announced his most recent acquisition — the purchase, in conjunction with Euroc of Sweden, of Castle Cement, Britain's second largest cement company - there was a sense of urgency in his voice when he said: "We've got to get a fuothold in the UK. It's a good reason to seek a share listing

The most important issues for Norwegian industry are the increasing competition it will face and the realisation that it cannot base its future solely on producing and selling for domes-

tic markets.

Mr Heiberg says: What is happening in the EC – the establishment of the internal market – ment of the internal market —
will affect. Norwegian industry,
so we must position ourselves
now to meet that challenge."

The Aker Norcem group has a
total of about 18,000 employees,
Before their merger in 1965, Aker
had a workforce of 5,407 and Norcem had 4,981 employees.

had a workforce of 5,407 and Nor-cem had 4,981 employees. Group turnover in 1987 reached NKr13hn (\$2.1hn). This year, Mr Helberg projects, the figure will reach NKr15,3hn. The cement and building mate-rials side of the business is repre-sented. in the US, Scandille East and Africa. The sector's turnover

And the second of the second o

Aker Norcem, one of Norway's Plans are to open a London and sold. In section of the company to get out of the company to get out interest of the company to get out of cament at a time when marking involved in the cement and brild.

Flans are to open a London and sold.

"We can see the danger in heading so much property. But on the other hand we see the possibilities which these holdings on much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of much property. But on the other hand we see the possibilities which these holdings of the other hand we see the possibilities which these holdings of the other hand we see the possibilities which these holdings of the other hand we see the possibilities whi

Gerhard Heiberg: wants a share listing in London

Mr Heiberg argues, however: and the US." "While demand for cement is dropping in certain parts of made some bold moves on the Europe, particularly in West Germany, the UK market is still UK. "It is from this base that we growing. We will feel secure there for the years ahead."

Heiberg projects, the figure will reach NKr15.3hm.

The cement and building materials side of the business is represented in the US. Scandinavia, the UK. Spain, the Middle East and Africa. The sector's immover for 1988 is expected to be NKr3.8hm, or about 25 per cent of total group turnover. Of this total, the Scandinavian cement businesses are projected to account far NKr1.5hm, excindent of the company and gas industry, which is experiencing a downtum. While the off-ahore particularly successful at home during the build-up phase of Norway's oil and gas market, it has yet to make an international businesses are projected to account far NKr1.5hm, excindent of the segment will be able to apply for EC members of the figure will be able to apply for EC members of the segment and building materials.

Aker Norcem has also caused in acquisitions to preserve the limancial strength of Aker Norcem has absocuted about fight acquisitions to preserve the limancial strength of Aker Norcem. However, at the end of last the sequired Norwegian Courter the imancial strength of Aker Norcem. However, at the end of last the sequired Norwegian Courter the construction company which achieved domestic success in building concrete platforms for offshore oil and gas fields.

Since its purchase, NC has become has also caused the imancial strength of Aker Norcem has acquisitions to preserve the imancial strength of Aker Norcem. However, at the end of last the end of last per head of last p

A NEW sense of realism is the Cement was made by the rapid build-up of its property ing that domestic labour restrictions are preventing it from stay-pendes faced by the propect of igh-Norwegian joint venture in the company's property holdings being statt out of the European March. This brought group are in prime locations which community's internal market in cament production capacity up to offer the prospect of revenue to its only domestic competitor, and it now faces the prospect of and

This will be no easy feat. As the brakes in the oil industry have been applied, world oil market sectors have become increasingly protective of their domestic con-

protective of their domestic contractors and suppliers.

"The offshore sector represents about 41 per cent of total group turnover. Turnover for this area of business is estimated to be NKr6.4hm for 1988. On the property side, one project, in Oslo, will have taken an investment of more than NKr3bn by 1992."

Mr Heiberg adds: "We have contemplated our internationalisation strategy for a long time.

ation strategy for a long time. Before we set out to expand it was important for us to define which of our products could suc-cessfully be introduced into

which markets.

"We concluded that the products and services which we know most about internationally are the cement and offshore oil and gas sectors. We have used these

have further plans to expand into is somewhat uncertain. If it does the EC and US with other build-not win approval from Norwe-The addition of 3.7m tomes of annual capacity from Castle makes Aker Norcem/Euroc the fourth largest international cement manufacturer based in Western Europe.

However Aker Norcem's Citic the first out of the company of the compan

Western Europe.
However, Aker Norcem's critical about ics at home are sceptical about right acquisitions to preserve the

becoming a land-based civil engi-

form to Canada. "The group must solidify its tion," Mr Heiberg says. "We have to strike the right balance

Norway's only private oil com-pany, Although there are no firm plans either to pull out of Saga or merge with it, Mr Heiberg says; that Aker Norcem will, in the long run, have to make a decision about its position.

"Our position in Saga is a stra-tegic gamble," he says. "If we believe that future oil prices will remain low we will have to sell out. On the other hand, if we believe that oil prices will firm to gas sectors. We have used these sectors as spearheads to gain believe that oil prices will firm to spotbolds in the Common Market high levels then maybe we will have to approach Saga about a merger. We have had discussions sion is imminent."

The future of Saga Petroleum

tantly, it would mean a signifi-He says he has avoided out-cant reduction in its value. One Oslo analyst believes that

A FINANCIAL TIMES CONFERENCE

Hotel Inter-Continental London 6&7 June, 1988

Speakers taking part include:

- Mr Ron Aureli Mr Bo Berggren
- Mr Jacques Calloud
- Mr Red Cavaney Mr David Clark
- Mr Luis Declandes Mr John B Ferv
- Mr Hugh Fletcher **Dr Hartwig Geginat**
- Mr Francisco Gros Mr Bruce Kirk
- Dr Bo Mannström Dr Siegfried Mevaei
- Mr Jorge Núñez
- Mr George S Petty Mr Pentti O Rautalahti Mr Dermot F Smurfit

Mr John Worlidge A FINANCIAL TIMES INTERNATIONAL CONFERENCE

EUROPEAN PAPER World Polp & Paper Conference

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FannieMae \$700,000,000 88.50% Debentures Due May 11, 1992 Series SM-1992-G Cusip No. 313586 ZJ 1 Non-Callable **Price 100%** REOPENING OF \$500,000,000 9.00% Debentures Dated January 11, 1988 Due January 10, 1995 terest payable on July 10, 1988 and semiannually thereat Series SM-1995-H Cusip No. 313586 YR 4 Non-Callable Price 99.875% plus accrued interest The debentures are the obligations of the Federal National Mortgage Association. a corporation organized and existing under the laws of the United States, and are issued under the authority consumed in Section 304(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) The debentures, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereon other than Fannie Mae 3900 Wisconsin Avenue, N.W., Washington, O.C. 20016

> THE ENVIRONMENT Times proposes to publish a Survey on the abo

22ml JULY 1988

S.P. DUNBAR-POSINSON on 01-245-8000 ext 4148

FINANCIAL TIMES

100 years ago, there was only one choice in retail systems. So what's new?

A century ago, the cash register was the first piece of transaction processing equipment available to the businessman; ours were the first in a long line of innovative retail products.

One hundred years in the vanguard of retail technology give us an unrivalled heritage and impeccable credentials; in fact, we have customers today who've been with us since the beginning.

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Creating value



INFORMATION

INSURANCE companies the world over are discovering that their traditional ways are no bul-wark against the forces for

change generated by competition,

deregulation and technology. Customers have become alarm-

ingly sophisticated about the return they expect on their money and their loyalty can no

longer be taken for granted.
Those insurers wishing to remain major players have had to take tough strategic decisions.
Some have elected to concentrate

on their core business. Others have chosen to diversity out of the traditional insurance area. And some of the more adventur-

ous are finding that information technology, imaginatively used, can be a powerful ally in their

efforts to cope with the volatility which has shaken their industry

over the past decade.
The New England, of Boston,
Massachusetts, has taken both

The New England's strategic manoeuvre

Desk-tops for top desks

Alan Cane continues his series by explaining how the US insurance company brought the capacity for improved decision-making to its senior managers

EXECUTIVE support or information systems (EIS) are the logical conclusion of a process which started with the realisation that computers could not only process e firm's data, but provide its managers with the information they needed to run the business.

The stumbling block has been the computer systems themselves. Mainframe computer installations were never designed to allow senior executives to have very easy access to the information held in

to the information held in their memories.

Writing programs to extract that information was the job of the computer specialist. As recently as five years ago, the technology was simply not up to the job of siphoning off critical information from the millions of bytes of data every company accumulates to give a clear, simple nicture of its

business position.

Robert Bittlestone of Meta-praxis, a UK-based supplier of RIS software puts it simply: "Until about 1985, writing RIS software internally was a necessity. The task was forbidding. An EIS is a very complex piece of software and its development can take many man years of effort."

years of effort."

Now there are three principal proprietary executive support systems, Pilot Executive Software from the US company Pilot, Commander EIS from Comshare, another US company, and Resolve Metapraxis.

The aim of each is the same-by present company information of the same-by present company information. to present company informa-tion in a simple, attractive for-mat leaning heavily on graph-ics which can also allow an executiva to look behind a graph or chart to tease out the significance of the numbers on The three companies have distinctly different technological approaches.
Pilot extracts information

from a company's general led-ger system and other sources and stores it in a large mini-computer. Comshare's Comcomputer. Comsulare's Com-mander EIS is purely and sim-ply an elaborate display system, taking information from System W, the Comshare financial modelling tool, and displaying it in a variety of formats. Both run on a com-

formais. Both run on a company's mainframe computer.

Metapraxis' Resolve software extracts the key information from a firm's data and stores it on the hard disk of a powerful personal computer.

The use of EIS, whether proprietary or custom built, is growing, especially among the larger comparations. The day of the company data book in matter form may be numbered. paper form may be numbered.

could be managed comparatively easily. But it was critical enough to the success of the company to serve as a real test of the system.



tion so that managers can make

Essentially, tools such as cystem W are necessary because of which tell the commany that unco-ordinated fashion in tilly and economically.

Now The New England is technologically competent. It has a data processing depart serve as a real test of the system.

And all the information needed for the experiment already existed. Over the years, The New England's data processing centre had accumulated and was continuing to accumulate all the data it could ever want. "We are awash with data," says Ficcagila. The problem was furning all that data into concise, up-to-date information that could be used on a day-to-day basis by the company's senior executives.

Most companies have vast amounts of data stored in a vari-ety of separate and largely incompatible systems, making the extraction of easily understood information a labour intensive and time-consuming bust-

The New England's crucial business data, for example, is stored in no less than 12 separate computer systems. "We knew the computer systems. We knew the information we needed was in there somewhere," says Facaglia, "but running it down might take two months, by which time it would be out of date."

System W automatically pulls together relevant information from those disparate sources.

from those disparate sources. Comshare president Richard Crandall reckons a DSS like System W can reduce the volume of data which has to be manually analysed for any particular bus

thinking

power

flourish.

giving managers access through their screens to a series of simple graphs, tables or charts, updated regularly, and automatically, which tell the company story viv-

strong data processing depart-ment, IBM mainframes and 2000 personal computers scattered through the organisation. But as Ficcaglia points out, its managers needed more information in a more timely and useful fashion and its existing systems were simply not designed to do that

Measuring the effectiveness

It could have modified them but the penalties in time and cost would have been considerable; as it was, the first phase of Com-mander RIS was installed and running last year after only six months at a cost of about

understanding of how their gen-eral agencies operate has much improved: "A number of agen-cies," he says darkly, "have been closed down and replaced. We have seen an amazing change in he behaviour of the agencies now they know we are monitor-ing them."

And he says there is now a "monster demand" in the com-pany for terminals from managers impressed by what they have seen of the general agency proj-

The New England's four top executives, Robert Shafto, agrees, arguing that the advantage comes in being able to see a number of different dimensions at once and the way they change

"Before, I had only a gut feel from talking to people that the trends were there, but now with the graphs I can verify what is actually happening and commu-nicate this to other officers of the

months at a cost of about \$100,000.

How successful has it been? But as the experts agree, some executives' styles of working are not suited to automation. Alone mongh is senior managers, chief executive officer of The New England, has no terminal on his desk and no plans to instal one. "I don't think," one of his senior executives are using the terminals daily and that their see Ted touch a keyboard."

Business courses

Treasury Management, London, June 7-6. Fee: £400. Details from Nigel Meade, School of Manage-ment, Imperial College of Science and Technology, Exhibition Road, London SW7 2PG. Tel: 01-589 5111, ext 7123.

How to conduct effective process capability studies, Berks. June 28-29. Fee: £375 + VAT. Details from the conference manager, David Hutchins Associates, 13/14 Hermitage Parade, High Street, Ascot, Berks, SL5 7HE. Tel: 0990 28712. Fax 0990 25968. Telez: 847738 DHAQICF G.

Getting value for money from the IT investment, London, June 22. Fee: £245 + VAT. Details from Ms Majabeen Shah, Nolan, Nor-ton & Co. One Lumley Street, London W1Y 1TW. Tel: 01-493

New methodologies in test mar-keting, Amsterdam. June 1-3. Fee: ESOMAR members Sw Frs 1,005. Non-members SFrs 1,135. Details from ESOMAR Central Secretarist, J.J. Viothastraat 23, 1071 Amsterdam, The Netherlands, Tel: +31/20/64.31.41 Teler. 18535 esmar nl. Fax: +31/20/

664.29.22.
Global transformation, Sweden,
June 27-20. Fee: SKr. 10.000. Family members SKr 2,700. Details
from SAS Business Consultants,
SAS, STOAC, 161 87 Bromma,
Sweden. Tel: 42.0.2022.

Sweden. Ter: 48-8-76891.
Latest developments in insolvency law and its implications for exporters and importers, London. June 16. Fee: £241.50. Details from Legal Studies & Services, IBC House, Canada Road, Bylleet, Surrey KT14 7JL. Tel: 0323-55244.
Telex: 888870. Fax: 01-489 0849.

Teler: SSST. Fax: 01-425 GAS.

Riflective computer marketing,
London. June 2-3. Pee: \$475 +
VAT for the first delegate; \$430 +
VAT for additional delegates.
Details from the Infomatics
Resource Centre, 2 The Chapel,
Royal Victoria Patriotic Building,
Fitzhugh Grove, Trinity Road,
London SW18 35%. Tel: 01-671
2546. Telex: 299180 MONIVT G.
Fay: 01-671 3866.

Fax: 01-871 3866.
International treasury management, Cannes. June 22-24. Fee: Non-members BFr 73,000; Members (AMA/I) BFr 65,700. Details from Customer Service Department, Management Centre Europe, Postbus 95, NL-3417, ZH Montfoort, The Netharlands. Telefax: (Belgium) -82/2/513.71.08. Telex: (Belgium) 21917 mce b; 61748 mce b.

Product Hability, Windsor, June 23. Fee: £175 + VAT. Details from David Hutchins Associates, 13/14 Hermitage Parade, High Street, Ascot, Berkshire SL5 7HE. Tel: 0990 28712, Fax: 0990 25968. Telex: 847738 DHAQIC G.

clear, simple picture of its which it is based.

the diversification and technology routes. Its decision to become a broadly-based financial services company was taken in 1982 and followed its move into mutual with direct access to computer workstations.
So The New England is very much a pioneer in the use of these "executive support systems" (see adjoining panel). What were the factors underlying its decision to commit senior magaziness time and execut to funds in 1978, a lonely move which at the time earned it a reputation as a maverick in the reputation as a maverick in the US insurance business.

Ten years on, some 80 per cent of its business is still tied to the sale of life insurance in various forms but the remaining 20 per cent comes from non-insurance products such as tax shelters and mutual funds. It now describes itself to its customers as "Your management time and energy to such an innovation when the itself to its customers as "Your

such an innovation when the company was simultaneously going through a traumatic change in its pattern of business? Chiefly, it was a powerful need to sharpen its competitive edge. Now over 150 years old, The New England was the first mutual life insurance company in the US. financial partner".

The New England's change of direction has prompted it to experiment with and adopt a technology which puts computer insurance company in the US -that is, it is owned by its policyworkstations on the desks of its shallers and its shares are not senior managers with the intention of giving them easy, fast and accurate access to the company's key business information.

It has been a controversial customers — affluent householdexperiment. Computing for top ers and small businesses – are management has seen many false served through some 2,600 agents dawns. John Rockart and Michacross the US, and a master netel Treacy of the Sloane School of work of general agents in 100 separate locations.
As its diversification programme proceeded it brought in

Management documented some pioneering efforts in the Harvard Business Review in 1982 ("The CEO Goes On-line"), but senior executives have in general shown little interest in tinkering with computers professing to be the senior of the computers. new products and services - tax shelters, a discount brokerage, even health care for its houseexecutives nave in general shown little interest in tinkering with even health care for its house computers, preferring to leave bolders, pension plans and the collection and sitting of information to their subordinates.

Rockart today reckons that only about 10 per cent of large US their customers had needs they companies have senior managers

Rockart today reckons that only about 10 per cent of large US their customers had needs they general agencies was a task that taken to performance of the 100 or so general agencies manage about the performance of the 100 or so general agencies modelling software from Companies agencies on which it depended.

This provided the rationale for developed by the US company's tion department staff, but no use for busy executives.

Commander EIS in combination with 2 computer: ised system for monitoring the jargon, a "decision support system W, a product fine for management with a computer: System W is, in management iso with System W, be says, can general agencies was a task that takin" (OSS), a tool designed to reduce the volume by 100,0001,

leaving the door open for competitors to come in," says Vince Ficcagiia, vice president in charge of individual operations.

And competition was hotting up as banks like Citibank, retailers like Sears Rochuck ("a formitable planes" secondition to Fig.

dable player, according to Fio-caglia) and new financial services companies like Integrated Resources Inc began to invade the traditional insurance market.

Precision

required

To maintain and improve its competitiveness, The New England had to time its range of financial products — many of them new to the company and bought in from outside supplies.

On a day-to-day basis by the company's senior executives.

The need had been recognised for at least five years. At that time executive support systems were primitive. Now, however, "technology has come to our restricted in from outside supplies." bought in from outside suppliers

to the needs of its customers
with a precision which it had not

the executive support system the company opted for is called "Commander RIS" from Comrequired in easter times.

Fine-tuning on that scale demands a wealth of information about customers, competitors and the company's own performance. In particular, The New England needed better, quicker intelligence about the performance of the 100 or so general agencies on which it depended.

This provided the rationals for developing office automation for senior executives.

The decision was made simpler by tha fact that Tha New Ingland already used business modelling software from Company which has made a speciality over the past few years of developing office automation for senior executives.

The state of the s UI new On January 1, 1988, Asea and Brown Boveri merged to form Asea Brown Boveri, the largest energy engineering company in the world.

We are committed to the power business. No other company can offer utilities and industries all over the world a fuller range of products and services for generating, transmitting and distributing electric power, all the way from power plant to the end-user.

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provide financial solutions.

makes electric

ABB's capabilities and experiences are ideally suited for the growing need today in industrial countries to

upgrade and refurnish both conventional and nuclear power plants. In industrialising countries, we mostly participate in projects that help build up the infrastructure.

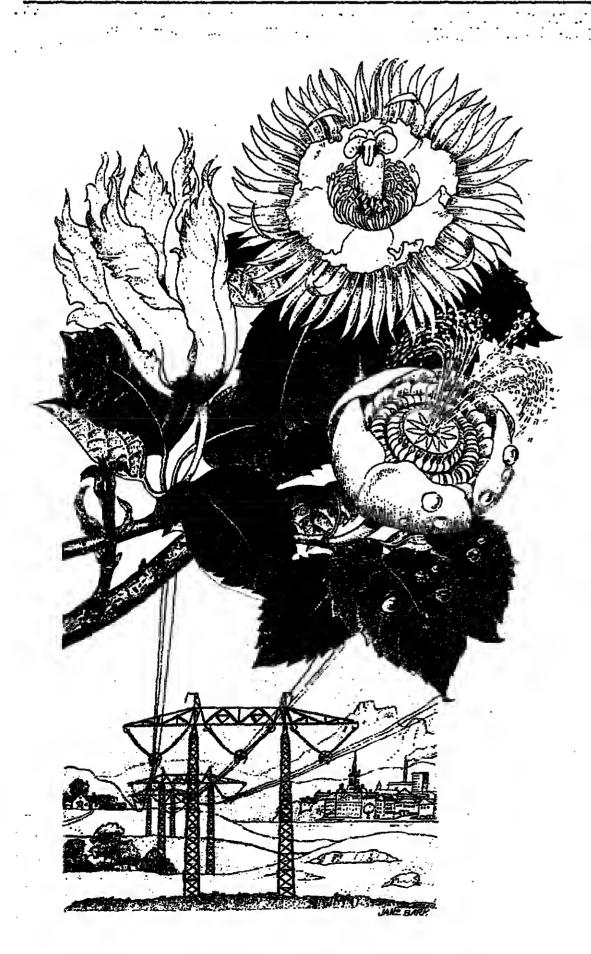
The merger enables us to remain in the technological forefront of energy engineering. We now have the resources to develop even more costeffective, energy-efficient and environmentally compatible methods of supplying electric power.

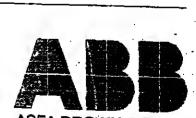
For example, take highly efficient combined cycle power plants. Or clean coal power plants based on a unique combustion technology. Or our inherently safe high temperature nuclear reactor using pebbled fuel. Or advanced concepts for loss-reducing transmission of high voltage direct current. Or control systems to optimize the power flow in electrical networks and to improve availability of power supply.

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Exhibitions

The Boyal Academy: Cezanne, The Early Years 1859-72. A concentrated and illuminating study of the forma-tive period of one of the greatest artists of the 19th century, who was also one of the great seminal figures of the modern movement. Though he came in his greatness in his mid-dle and later years, his early period is now revealed in all its complexity and contradictors quality with and contradictory quality, with many great works to set among the youthful experiments and failures.

WEST GERMANY

Berlin, Martin-Gropius Bau. The first complete show of Joseph Benys' (1821-1988) works ever presented in Berlin. There are about 150 roomsculptures and objects and about 456 paintings from the end of the 1940s to the end of the 1950s based on a cycle. The Secret Block for a Secret Person in Ireland. The sculptures are an erbo of real life and the tures are an echo of real life and the artist's memories. Stresemanns-

artist's memories. Stresemanns-trasse 110: Ends May 1.
Bottrop, Joseph Albers Museum, Im Stadigarten 20. To commemorate the 100th anniversary of Josef Albers' birth, 100 paintings of the artist, born in Bottrop, cover the full range of his work. Ends May 5.

Tropenmuseum. The arts and crafts of Indonesia, Illustrated with more than 500 nbjects in brunze, bamboo, textiles and precious metals spanning 2,000 years of cultural history.

Ends August 21.

ijksmuseum. Two hundred of the printroom's finest 18th and 18th century nrnamental prints, with designs for jewellry, weapons and furniture. Ends June 19. furniture. Ends June 19.
Rotterdam. Roymans-van Beuningen
Museum. The textiles of Noriena
and the glass artistry of Lino Tagliapietra inspired By the Light of the
Lagoon and the tradition of Venetian craftsmanship. Ends May 23.
The Hague, Gemeentemuseum. A lavish exhibition tracing Mondrian's
development. vision of invention. (42 56 09 24). Ends May 16, Closed Toe.

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development from figuration to abstraction, together with 70 paint-ings from the late New York period, on loan from the Sldney Jamis col-lection. Ends May 29.

PARIS

Musée d'Orsay. Van Gogh in Paris. To mark the centenary of Van Gogh's two-year stay in Paris, a period which proved a turning point in his artistic development, the Musée d'Orsay has assembled more than 50 of his resultines and a dozen of his d'Orsay has assembled more than 50 of his paintings and a dozen of his drawings from national and private coffections. By hanging landscapes and still life by Monet, Anquetin, Renoir, Toulouse-Lantrec and Signac next to Van Gogh's work, the exhibition brings out their influence on the transformation of the Dutch artist's traditionally sombre colours into a soft, impressionist palette underlined by contrasts of blues and oranges, reds and greens. Yet in spite of the revelation of his affinities with impressionism and post-impressionism structured by a strong dose of lapantam, Van Gogh impressionism structured by a strong dose of japanism, van Gogh used both the techniques in his search for his own, profoundly personal art expressed dramatically in his self-portraits. (45 49 48 14). Closed Mon. Ends May 15. Centre Georges Pompidon. Le Dernier Picasso 1953-1973. By placing tha

Centre Georges Pompidou. Le Dernier Picasso 1983-1973. By placing tha last 20 years of Picasso's work in the context of contemporary art, the 95 paintings, 34 drawings and 70 engravings exhibited permit a fresh approach to the controversy caused by contradictory judgements on the ageing painter's feverish creativity. Absorbed at first by paraphrasing Delacroix, Velasquez. Manet and David, his famissies and obsessions turned to the painter and his model and finally in the besic themes of the archetypical woman, the couple, the man. (42 77 12 33), Closed Tue, Ends May 16.

Centre Georges Pompidou. Marc Chagall Forty-six paintings, 406 drawings and gouaches and nearly all the illustrated books which have been given to the Franch state in lieu of death duties constitute a unique retrospectiva of Chagall's life and work. From his beginnings in Russia to his last years in the South of France, aloof from thu many svant-garde movements of his time, he remained the painter of poetry, dreams and mysticism. (42 77 12 33) Closed Tue. Ends June 5. Petit Palals. Winterhalter and European Courts from 1830-1870. A retro-

Petit Paials. Winterhalter and European Courts from 1830-1870. A retrospective of the painter of graceful feminine beauty around the thrones of France, England and Belgium. (42 65 12 73). Closed Mon, Ends May 7. Grand Palais. Deges. An important retrospective of 275 works covers 60 years of the artist's career from his student beginnings in Italy in the rich maturity of his last years. His favourite themes of ballet dancers and of jockeys and race courses, of washerwomen, milliners and bathers show the diversity of his inspiraetit Palais, Winterhalter and Eurowasnexwonan, minimers and our-ers show the diversity of his inspira-tion echoed by the variety of his modes of expression. Oils and pas-tels, drawings and engravings, pho-tographs and eculpture complete the

VIENNA

Austrian Massum of Applied Arts,

National Gallery. The hamsn figure in early Greek art is the subject of 67 sculptures and painted pottery

The Kunst und Revolution. A rare opportunity to see Russian and Soviet art from 1910-1932 under one roof. There are marvellous paintings by Kazimir Malevich, Wassily Kan-dinsky and Alexander Rodtschenko as well as a fine collection of pre and post-1917 posters. It conveys the creativity and energy, expressed in tha snprematist movement (1913-1915), the include group of art-ists based in Moscow (1920-1924) and

ists based in Moscow (1920-1924) and the constructivists (early 1920s) — movements suppressed by Stalin in the late 1920s. Ends May 15 Emastlerhaus. After the highly successful Dream and Reelity exhibition which looked at fin-de-siècle in Vienna, the Austrians have gone back to the Biedermeler period (1815-1849). This large exhibition is suitably called The Middle-class Mentality and the Spirit of Revoit: Biedermaier and pre-March in Vienna. Probably the term revoit is a bit of misnomer. Unlike other

Biedermaier and pre-March in Vienna. Probably the term revoit is a bit of misnomer. Unlike other European countries, the Austrians never had their great revolution. Ends June 12.

Secession. It is worth seeing bow this building has been restored and the small but fine exhibition of lithographs and drawings by George Eisher, one of the few artists whin returned in Austria after 1945. The collection focuses on Eisler's book filustrations. Ends May 15.

Rathaus. Vienna City Hall is commemorating the Austrians, the German annexation of Austria in 1938 by a large and courageons exhibition showing how Austrians reacted in Hitler's march into Vienna and the eclipse and eventual destruction of the Jewish culture. Ends June 30.

Kuastraum. Messepalast. Alfred Hufflicka, Austria's leading sculptor, celebrates his 60th birthday with an exhibition of his work, all carved in stone. Hufflicks is an inspiring and energetic artist who shows no signs of retiring. Ends May 29.

Historisches Museum, Karisplatt. The cultural legacy of Vienna's Jews which has been preserved by Max Berger, makes up this large exhibition which conveys the sense of loss as much as the community's artistic richness.

NEW YORK

American Craft Museum: an ambi-tions show that traces the history of American architecture back in the turn of the century emphasises the work of artists like Tiffany, Lawrie and Louise Nevalson who were com-missioned to add art in the architec

missioned to add art in the architec-ture. Ends Sept 4.

Pherpoint Morgan Library: More than 300 items from the life and art of Beatrix Potier show the evolution of the artist and her work. Included are the librarated letter, discovered only months ago, in Noel Moore that became the basis of Peter Rab-bit and the entire securiors of hit and the entire sequence of 22 watercolours from The Tailor of Gloucester lent by the Tate Gallery. Ends Aug. 2

WASHINGTON

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starting in the 9th and 8th centuries BC with althouetted stick figures and ending with the naturalism per-fected in the 5th century BC. Ends June 12.

National Gallery. To mark the \$50th anniversary of the first Swedish colony in North America, a royal trea-sury covering four Swedish monarchs in the 16th and 17th centuries will show Sweden as a resplendent and aggressive world power through objects and 100 paintings on loan from the Royal Treasury, the national museum and the royal col-lections. East Wing. Ends Sept 5.

CHICAGO

Art Institute. A centenary retrospec-tive of the work of Georgia O'Keefe evokes the world of flowers and skulls in the luminous light of New Mexico. Ends June 26.

TOKYO

Tokyo Metropolitan Art Museum, Ueno. 'Japan in the 1920s'. More than 400 works (paintings, photographs, architectural designs, stage sets) tracing cultural and artistic developments in and around the seminal decade when Japan Erst emerged as an industrial giant. Closed Mondays. Rnds June 5. Ota Memorial Museum, Hanapaku. A peaceful haven amid the hustle and bustle of one of Tokyo's trandlest districts. This month: a representative selection of woodblock prints by everyone's favourite Japanese artist, Hokusai. On loan from the Peter Morse collection in the US. Closed Mondays. Rnds May 29.

Lainzet Museum. Crafts from India. Textiles, sculpture and other craftwork, mainly from the colourful states of Gujerat and Rajhastan. 10 master artisans from these states will be giving demonstrations of their work and the works are for sele (at a separate location). Ends May 1.

Tokyo, National Museum, Ueno, Art Treasures of Ancient Egypt. The formal, hieratic art of Egypt is not to Tokyo Metropolitan Art Museum

Tokyo, National Museum, Ueno. Art
Treasures of Ancient Egypt. The formal, hieratic art of Egypt is not to
everyone's taste, and works often
appeal more for their associations
with the calt of death or for their
lavish use of gold and other precious materials. This exhibition
gathers important pieces from collections in East Germany. Closed
Mondays. Ends June 12.
Tokyo Metropolitan Art Museum,
Ueno. Japan in the 1930s. More than
400 works (paintings, photographs,
architectural designs, stage sets)
tracing cultural and artistic developments in and around the seminal
decade when Japan first emerged as

an industrial glant. Closed Mon. Ends June 5
Telem Museum, Meguro. Art Deco Glass by Rane Lalique. This former imperial residence has one of the finest Art Deco interiors in the world. Among its many treasures is a set of glass doors with relief figures of winged goddesses, designed and made by the moster of Art Deco. ures of winged goddesses, designed and made by the master of Art Deco glass, Rene Lalique (1860-1945). The current exhibition is a perfect match. It consists of some 200 exam-ples of Lalique's work, from private

collections in Japan and overseas. The quality is uneven, with the notable exception of pieces loaned by Lalique's grand-daughter, but the

notable exception of pieces loaned by Laique's grand-daughter, but the setting is unperalleled. Closed April 27. Ends May 29. Seibn Yurakneho. Indian Court Cos-tumes. Described by one New York reviewer as "by far the most daz-zling, opulent and beautiful show mounted in recent years." Costumes from the collections of 12 former urincely states. Folds May 10. princely states. Ends May 10. Goto Art Museum. Tale of Genji Scroll Don't miss this rare opportu-

Scroll Don't thiss this rare opportunity to see one of Japan's major art treasures: four illustrations from a 12th century copy of the "Tale of Genji". Because of their fragility these delicately beautiful works are put on display for only one week a year. The Goto Museum is one of Tokyo's major private art galleries and the exhibitions, selected from an extensive collection of Chinese and Japanese art, rotate every two months or so. There is also a beautiful unkernet garden. Closed Monthil unkernet garden. Closed Monthil trakempt garden.

and Japanese art, rotate every two months or so. There is also a beautiful unkempt garden. Closed Mondays. Ends May 8.

Ola Memorial Museum, Harsinku. A peaceful haven amidst the hustle and bustle of one of Tokyo's transiest districts. This month and next: a represeointive selection of wood-block prints by everyone's favourite Japanese artist, Hokusai. On loan from the Peter Morse collection in the US. Closed Mondays. Ends May 29.

Vesdee: Palazzo Grassi. The Phoenicians: The fourth major exhibition at Flat's imposing arts' centre on the Grand Canal attemps in give a complete picture of this extraordinary people, about whom few know much, who dominated trade in the Mediterranean for more than 1,000 years before their capital, Carthage, was finally destroyed by the Romens in 146 BC. Organised by Professor Sabatino Moscati and aponsored by the Accademia dei Lincel in Rome, the exhibition has been given a highly theatrical presentation by the architect Gae Aulenti. Sarcophaghi project at odd angles from a pile of pink sand on the ground floor of the Palazzo in an upstairs room, model ships stand immubile in a rippling artificial lake, and a lung polystyrene wave engulfs a Phoenician week. Not particularly legible "graffiti" run across the walls; comments on the Phoeniclans by contemporaries and later writers. Many of the 1,200 objects displayed (gold and silver recotta, bronze and ivory) are extraordinarily beautiful, and the 750-page catalogue is excellent. (Until Nov 6).

Venice, Fondazione Cini (Isola di S. Giogio): Paolo Veronese. An intelligenty presembel erhibition in mark the fourth centenary of his death, two thirds of which is devoted in his preparatory studies for his major works in Venice. The last few rooms

two thirds of which is devoted in his preparatory studies for his major works in Venice. The last few rooms contain 22 paintings, including sev-eral masterpieces lent by American and European Museums. Until July 10.

Opera and Bailet

Royal Opera: Covent Garden: the eaganty-availed new production of Tippett's The Knot Garden by Nicholas Hytner has Sian Edwards (house debut) as conductor; the cast includes Anne Howells, Ellene Cannan, Alan Opie, Rodney Macann, and Christopher Gillett. (240 1086) English National Opera: Collseum: Nicholas Hytner, with one production at Covent Garden and two at the Collseum; is the dominant figure in London opera at the moment. His highly praised 1985 staging of Handel's Kerase returns with the original cast (including Ann Murzey, Valerie Masterson, and Christopher Robson), and conductor (Charles Mackerras). Hytner's new Magic Flute production is frunny, lively, vivid, and keenly paced; several cast changes include Nicholas Folwell taking over from John Rawnsley as Papageno. The other Mozart opera in repertory is Cost, with Peticity Lott and Della Jones as the sisters and Maldwyn Davies and Rossell Snythe as their lovess. Covent Garden: A mis-matched triple hill on Saturday from the Royal Ballet, who then revive Ashton's Ondine at n gala on Tuesday.

Swan Lake: (Paris Opera) is followed by Faust conducted by Alain Lom-bard with Faust sum by Alberto Consideration Deposits, Membridge 1997 hard with Faust sm by Aberto Capido/Jean Dupouy. Mephistophe-les by Jose Van Dam/Jean-Phillippe Courtis, and Marguerite by Gabrialis Benackova/Michele Lagrange (47 42 53 71). Carolyn Carison: (Theatre de la Ville) Dances in Dark, a premiere of a phantasy on images of angels cre-ated by 10 dancers. (42 74 22 77).

Deutsche Oper: Salome in Wieland; Wagner's production will be con-ducted by Heinrich Hollreiser. Dmi-tri Shestakowitch's opera Lady Mactri Shestakowitch's opera Lady Mac-beth von Mzenk will have its premiere in Germany this week; the cast is led by Karan Armstrong, Kathryn Montgomery-Melssner, Dimiter Petkov and William Pell. Das Rheingold features Hanna Schwarz, Lucy Peacock, Simon Rates and Martti Salminen. Zar und

Stantsoper: Ballet offers a Nijinsky-Gala, Leading Lady; Juhn Neumeler's Der Nnachacker; ifhusionen wie Schwanen-see, newly choreographed by John Neumeler, is based on the traditional version of Lew Iwanow and Merius Petins om the traditional version of Lew Iwanow and Marius Petipa. Opera: Des schlane Füchslein has fine interpretations by Eva Tamassy and Roland Hermann. Carmen brings Victoria Vergara, Guillano Cian-nella, Harald Stamm and Teresa Ribaholz insertive.

secisimed when it opened. It has a strong cast, led by Bernd Weiki, including Lucy Peaceck, William Murray, Rene Rollo alternating with Peter Hofmann, and is conducted by Peter Schneider. Peter Schneider. Royal Opera: Covent Garden: the

Wiltismbergisches Staatstheater:
Tannhäuser, produced by Juri Lubimov with sets by Paul Hernon, will
have its premiere this week. The
cast incindes Verena Schweizer,
Waltrand Meier, Matthias Hölle,
Turi Kramer and Wolfgang Schöne.
Der Liebestrank convinces thanks
to Lucia Aliberti, Jenufa features
Grace Hoftmann, Eva Randova and
Manfred Jung. Also Madame Butterfly and Tosca. STUTTGART MUNICH

Bayerische Staatsoper: The Magic Finte is a well done repertoire per-formance with Helen Donath, Class H Ahnsjö and Martti Salminen. ri Annsjo and Martri Salminen.
Simon Boccanegra, sung in Rahan,
stars Carol Vaness, Piero Cappucilli,
Luis Lima and Kurt Moll. La Cenerentola in Jeen Pierre-Pounelle's production is steered in triumph by
Agnes Baltsa in the title role.

WIESBADEN

Wiesbaden

May Festival: This year's festival has something for everybody. For ballet, lovars there is Adolf Adame's Giselle and Schwanensee, presented by Leningrad's Kirov Thesire and Spanish dancing with Madrid's Ballet del Teatro Lirko. Admirers of Grand Opera can enjoy Verdi's Ein Mashenball and the modern opera Cristine, staged by the Stockholm Opera. Also drama, puppet shows, readings and divertissment are offered to June 2 (0615), 132325)

MILAN

Testro alla Scala: First performance of a new work by Kartheinz Stockhausen, Montag aus Licht (Sat) conducted by the composer and produced by Michael Bogdanov, with scenery designed by Chris Dyer and costumes by Mark Thompson (Repeats on Sun, Tues, Wed, Thurs) (89 91 25)
Testro Lirico: The Scala Ballet Company in three works: Five Tangot by

pany in three works: Five Tangos by Hems Van Manen, with Ornella Cos-talonga and Blagto Tambone; Streams by Alvin Alley, and Man-rice Bejart's Boloro, with Luciana Savigno (Sat) (86 64 18)

REGGIO EMILIA

Teatro Romolo Valli: Rimsky-Korsa-kov's Tzar Saltan (sung in Russian), conducted by Vladizzir Fedosseev and produced by Lnca Ronconi (with sets by Gae Anlenti). The cast incindes Neils Verri, Elizabeth Nor-berg Schulz, Aldo Bramante and Joseph Evans (Sat) (37878)

Tentro dell'Opera: Richard Stramas's Salome, produced and directed by Gustav Knin, with Elizabeth Glau-ser, Horst Hiestermann, Lia Freyr-ahi and Peter Weber (Sun, Wed) (46

Textro Communales (51st Maggio Musicale): Jean-Pierre Ponnelle's producting of Peter Grines by Renjamin Britten, sung in English with Italian subtitles and conducted by Spiros Argiris. Jacques Trussel sings the title role, with Panela Coburn (Eilen Orlord) and Thomas Shewart (Balstrode). (Fri. Sun) (277

Tentro Massimo: Politeanna Garibakit:
Gerswin's Porgy and Bees, produced
by Jack O'Brien and designed by
Douglas W Schmidt. The cast
includes Robert Modey as Porgy.

alternating in the part of Rees, and William Bradley-Johnson and Ivan Thomas siturnating in the part of Crown. Chris Nance conducts (Fri. Sat, Sun) (38 43 34)

NAPLES
Testre san Cario: Resent's Ermione
(originally composed for this theatre, first perference here in March,
1819) conducted by Gustav Kulm,
and produced by Eoberto de
Simone, with scenery and contunes
by Enrico Job. A splendid Castincludes Monisarrat Caballe, Kathleen Kulmann, Chris Merritt, Dougles Ahlstedt and Robert Gambil
(Sat, Tues) (41 71 46)

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Henristia Davis and Na

AMSTERDAM

Municktheater: The Nederlands Dana Theater with Shaker Loops (Van Manen/Adams). Synaphai (Dua-to/Kenakis/Vangelis) and Bolero (Duato/Ravel) (Tue, Thur) (25 % 55)

Les Ballets de Monte Carlo: With Muriel Malire, Frederic Cityleri, Noella Pontois, Patrick Dupond. Programme includes scenes from Swan Lake, Prince Igor etc. Ran'l. Hoken Hall. Gotanda. (407 8348). Classical Dance of India: Fifty top dancers and musicians from all over the subcontinent. Shows Women's University Hitomi Memorial Hall, near Sangenjaya. (Thur)(500 0081).

American Ballet Theatre: (Lincoln Center Opera House). Spring season highlights include the world prehighlights include the world pre-mier of Mark Monte's Drink in Me Only With Thine Eyes, set to Virgil Thompson's schere and Santo-Loquesto's set, along with the new productions of Gathe Parkstone cho-reographed by Lounide Massine and Raymonda choreographed by Mik-hail Rayahnikov after Pepits. (362 6000). Ends June 11.

WASHINGTON

Alvin Alley American Bance Theatre: (Kennedy Center Opera House). (Kennedy Center Opera House). Mixed programmes culminate in Revelations, the Alley signature plece that epitomises the group's mix of spirituals, Broadway and high-sispping American enery. Ends May 15, C234 S770).

LONDON

The Bach Choir: With the Philharmonia Orchestra. Conductor David
Wilcocks with soloists Sheila Armsfrong, Catherine Wyn-Rogers, Maldwyn Davies and Stephen Roberts:
Playing Elgar's The Kingdom, Royal
Festival Hall (Mon) (228 3191).
Lontance Conducted by Odaline de la
Martinez with Jane Manning,
soprano, and Robert Dick, flutes:
British premieres of works by Willliam Kraft, Robert Dick and Martin
Butler, Elizabeth Hall (Tue). The Back Choir: With the Philhar-Butler, Elizabeth Hall (Tue), nglish Chamber Orchestra: (Jeffrey Tabe with André Watts

Moxart Players: Conductor on Moxart Players: Conductor se Glover with Luigi de Filippi, tin and Jack Brymer on clarinet: zart programme. Berbican Hall

(Wed).
Royal Philharmenic Orchestra: Conductor Yuri Temirkanov, Peter Donohoe on piano: Rossini, Brahms, Dvorak Pestival Hall (Thur).
Nouvel Orchestra Philharmonique de Radio France: Conductor Marek Janowski, Ann Murray mezzo-scranc: Berlicz, Saint-Saina. Barbican Hall (Thur).

AMSTERDAM

Concertgebouw: The Netherlands Theatre Orchestra conducted by Jules van Hessen, with soloists Jaap van Zweden on violin, Ronald Brautigam on piano, and Thijs van Leer playing fints, presenter Adrean van Dis: Rossini, Vivaldi, Vanghan Williams, Tchaikovsky, Saint-Saëns (Mon.), Hartmut Haenchen conducting the Netherlands Philharmonic with Hakon Austbö on piano and vocalists: Schönberg, Beethoven, Scriabin (Tue, Wed). Recital Hall: Norbert Brainin on violin, Martin Lovett playing cello and Arualdo Cohen on the piano: Brahms, Mozart, Beethoven (Thur) (71 83 45).

UTRECHT

Predenburg: Hartmut Haenchen conducting the Netherlands Philharmonic Orchestra with Hakon Austbö on plano, and vocalists. Schönberg. Beethoven, Scriabin (Mon). The Concertgebouw Orchestra under Riccardo Chailly: Berio, Bruckner (Wed) (31 540. NUMEGEN

Ensemble Intercontemporain: Con-ducted by Dennia Russel-Davics, Paul Sperry, Tenor: Allemagne 3 -Marricto Kagel, Bruno Maderna, Arvo Paert (Mon), Georges Pompi-don Centre, Grande Salle (42 77 12 33). Edita Gruberova, Friedrich Haider:

Piano, Dvorak, Brahms, Strauss (Mon) Theutre de l'Athènée (47, 42, 67 Orchestre de Paris: Conducted by Daniel Barenboim: Wagner's Rhein-gold (Mon, Wed) Salie Pleyel (45 63 07 96). Orchestre National d'He de France:

Conducted by Eric Bergel: Mozart, on piano: Playing Schumson, Bee 07 95). thoven. Barbican Hall (Tue) (638 Catherine Collard: Plano recital (Tue)

Cutherine Collard: Plano recital (Tue)
Salle Gaveau (45 68 20 20).
Ensemble 13: Conducted by Manfred
Reichert: Allemagne 4 • Wolfgang
Rihm (Wed) Georges Pompidon,
Grande Salle (42 77 12 33).
Nouvel Orchestre Philinarmonique:
Conducted by Y Ahronovitch, Rodio
France Choir: Mussongaky, Tchaikovsky, Borodine (Wed) Theatre des
Champs Elysées.
Jorge Bolet: Plano, Mendelssohn, Beathoven, Franck, List (Thur) Salle
Pleyel (45 63 07 96).

ROME

Teatro Brancaccio (via Merulana 244): Teatro dell'Opera. Orchestra con-ducted by Ernesto Zanoni playing Debussy's Danze Sacre e Profane for harp and strings, and Respight's Concerto a Cinque (Sun, 11 am) (46

nditorium in via della Concilia-zione: Heinz Hollinger (obce), Hel-mar Schmid (clarinet), Radovan mar Schmid (clarinet), Radovan Vlatkovic (French horn), Klans Thunemann (bassoon) and Andras Schiff (piano) playing Beethoven, Schumann and Mozart (Fri). Also, (Sat, Sun, Mon, Tue) Michael Schouwandt conducting Chopin's Plano Concerto No 2 (with Ivo Pogarsilch) and Strauss's Eine Alpensinfonie. (654 1044).
Anditorio del Gonfalose (via del Gonfalose del Gonfalose Chamber Orchestra with solo violinists Fulvin and Antonin Leofreddi playing Vivaldi (Thur) (687 5952).

FLORENCE

(Sist Maggio Musicale) Teatro della Pergola: Andras Schiff (piano). Heinz Hollinger (nboe), Elmar Schmid (clarinet), Radovan Vlat-kovic (Prench born) and Klans Thuassoon) playing Bee-mann and Mozart (Sat), a Zilberstain playing ov and Scriabin (Sun) Soprano Julia Migenes with the Maggio Musicale Orchestra conducted by Bruno Fontaine, Del Classico al Musical (Wed), Singer Heiene Delavanit will be accompanied by planist Clande Lavoix (Thur) (277–226). NAPLES

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Settimane Musicale Musicale: Teatro di San Carlo: Plano recital by Maur-taio Pollini, playing Schubert and: Liszi (Sai), Salvatore Accardo, Mar-garet Batjer, Rocco Filippini, Toby Hoffman, Maurizio Pollini and Ther-esa Tunniclist playing Brahma (Tue). The San Carlo Orchestra con-ducted by Franco Petracchi playing Martucci, Cherubini and Rossini (Wed. Thur) (797–2412). (Wed, Thur) (797 2412).

TOKYO

Tokyo Symphony Orchesira; Uto Ughi (violin). Mozart, Vivaldi. Suntory Hall (Mon) (505 1010). Stockholm Bach Chohr: Bach, Handel, Kodaly. (The, Wed). Suntory Hall (405 5011). Gundula Jamowitz: (soprano). Schub-ert. Showa Women's University Hitomi Memorial Hall, mar Sangan-jaya (Wed) (353 2242). Japan Philharmonic Orchesira: Con-ducted by Naoto Ohtomo, Bird Week Concert: Respight, J. Siransa, Stravinsky. Suntory Hall (Thur) (234 6811).

SHI). NHK Symphony Orchestra: Conducted by Wolfgang Sawallisch. Hindenith, Bruckner. NHK Hall. (Thur) (465 1781).

indiano Piano Trio: Haydn, Schu-mann (Wed, 12.30, free). Juilliard Concerts at the IBM Garden Plaza, 56th and Madison, **NEW YORK** Sein and Madison. iew York Fridharmonie: Zubin Mehta conducting, Isaac Stern (violin); Mussorgaky, Davies, Mozart (Thur) Avery Fisher Half (374 249). os Angeles Philharmonic: André

WASHINGTON

Previn conducting Dvorak, Walton (Thur) Carnegle Hall (247 7800).

Kational Symphony: Andrew Litton: conducting, Christopher Parkening (guitar); Britten, Rodrigo, Vivaldi, Rachmaninov (Thur) Kennedy Can-ter Concert Hell (254 3776).

CHICAGO

Chicago Symphony: Sir George Solti conducting; Vivaldi, Villa-Lobos, Haydu, Beethoven (Tue). Sir George Solti conducting, Andras Schiff (plano); Beethoven, Ives, Strahms (Thur) Orchestra Hall (465 S111).

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Act of Scots' Parliament in 1695. Copies of the Annual Report and Accounts are available on request from R.C. Horne, Senior Manager, Bank of Scotland, 4 Don Road, St Helier, Jersey or from Bank of Scotland, Head Office, The Mound, Edinburgh EH1 1YZ. Bank of Scotland Proprietors' Funds as at 28th February 1987 were

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A FRIEND FOR LIFE

MANCHESTER BUSINESS SCHOOL

Thought for noodles

Tampopo (18) Metro, Screen On Making Mr Right (15) Chelsea hades (15) Cannon Tottenham Under Satan's Sun (15) Cannon Premier, Swiss Cottage

Few things in this life are more important, as we know, than the search for the perfect noodle rec-ips. And if we did not know that before, Juzo Itani's Tumpopo tells us now. This delicious Japa-ness comedy, in which the pretty, widowed owner of a Tokyo noo-dle-shop (Nobuko Miyamoto) teams up with a cowboy-batted teams up with a cowboy-hatted trucker (Tsumoto Yamazaki) to create a world-beating entery for moodle-fanciers, is an essay in structured anarchy. It goes on for two hours, pegging aketches, shaggy-dog stories and visual epigrams to its casual narrative line. And it rhymes things we never quite knew rhymed before: sex and food, ensironomy and philosaute knew rhymed before: sex and food, gastronomy and philosophy, vaudeville and melodrams. Eastern and Western manners. Watching the movie, with its succulent cluster of digressions and non-sequiturs, is itself like eating a bowl of noodles. When you dip your fork into a strand, you never know here the set to a strand. you never know how long it will be Loosely unified by the flavour

of its central romance, the indi-vidual episodes take off in all directions. A gangster and his moll (Koji Yakusho and Fukumi Kuroda) demonstrate the intimate relation between carnelity and cuisine. (Goggle at the raw egg yolk passed from month to mouth during a passionate kiss.) An old man who has overesten in a restaurant has his stomach pumped by a vacuum cleaner. A batty old lady presses all the food in a supermarket. A young boy, tyrannised by myssil-belt parents (who obviously exist in Japan as wall as Harmeterli) warre a circumstant of the control of the contr well as Hampstead), wears a sign gle into high comedy in Desper-round his neck: "I only est nam-ral foods. Do not give me sweets women are finding the kiss of or snacks."

success can be the kiss of

as Japanese, is its hieratic fascination with form. Everything, Itami suggests, comes down to or comes up to - ritual And the rituals seen and affectionstely spoofed here are culled from seemed a ruthless satire on human omnivorousness has

Hollywood's patriarchal citadel. Penelope Spheeris gave us a deli-cious black farce about punk ano-

spend a quiet hour practising the go with more mass-market movart of Zen eating. ("Observe the ies.

whole bowl. Take in its gestalt").

Seidelman's sci-fi comedy Making Mr Right re-heats the old
Juzo liami, a former actor whose chestnut about advanced technoldebut movie as writer-director, ogy versus human feeling. "In
The Funeral, was a super-hit at the future," pronounces scientific
festivate in 1964. (It is promised bottin John Malkovich Chemissured and its promised form Markovich of Chemsour for London). At first glance, tec Laboratories, "making lova
his surreal-satirical work seems will no longer be necessary for
te derive more from the land of
the creation of life." No sooner
Mount Fuji. And its domino narnative style — one disparate anecby Markovich) falls in love with
dote knocks into another as if by
free association — seems inspired ouson, hired to spose up Chempretty Miami PR lady Ann Mag-ouson, hired to goose up Chemtree association — seems inspired ouson, hired to goose up Chemby Bunuel's later films.

But the quality that binds

Tampopo together, and defines it ply. Ms Magnuson's thrown-out

congressman boytriend (Ben Masters) wants to come back; the bof-fin keeps being confused with the android; and a whole flotills of secoodary female characters, Miss M's friends, keep legging sources as various as gourmet into the plot, in pursuit of the cooking, cinema (comic nods to android or the boilin or the conthe stylistic tropes of Godard or gressman. Or simply in pursuit of Leone), eroticism and Zen Bud-a funny line, of which Floyd dhism. By movie's end, what first Byars and Laurie Frank's script geance.

spirit is alive and well, and living sex-object perspective. For once again in 1960s Japan.

Meanwhile, back in the West.
Few things freeze a young filmmaker's natural vitality faster than the females, to the accompanimaker's natural vitality faster ment of much ribald sisterly gosthan tha sound of general sip between scenes of amorous acclaim. This week's two American chase. Is this reverse sexism? If well and an American "Comic Strip Presents."

However, amid the aesthetic privations of Maurice Plalat's Under Satan's Sun, even some quirky music of the Spheeris would be welcome. Last year at Cannes, looked like making a breach in pointing, Spheeris's Dudes is a there were scenes of anger and debacle. Three spaced-out New traces of situations of the spheeris welcome. Last year at Cannes, there were scenes of anger and debacle. Three spaced-out New traces are specifically and productions are not return to the spheeris welcome. Last year at Cannes, there were scenes of anger and debacle. Three spaced-out New traces are specifically and productions are not return to the spheeris welcome. Last year at Cannes, there were scenes of anger and debacle.

pointing, Spheeris's Dudes is a there were scenes of anger and debacle. Three spaced-out New York punks, played by Joo Bartholomew's Dsy Massacra Glover, Daniel Roebuck and Flea when this work won the Golden Penetope Spineers gave us a usur close plack farce about punk anomie in Suburbia, and Susan Sei- (yes, Flea), decide they are "sick delman turned that of waiting for the world to end" slightly on further acquaintance: bewilderments of the urban junmed that of waiting for the world to end" slightly on further acquaintance: bewilderments of the urban junmed that of waiting for the world to end" slightly on further acquaintance: but only to the degree that a secmuscular, prosaic style — better ond blow on the head with a blunt instrument might be the mystical material. No amount of elliptical pacing, Racinian stylisation in the dialogue-speaking. And between-whiles we keep success can be the kiss of way, but never mind, it is scenic), first.

And between-whiles we keep success can be the kiss of way, but never mind, it is scenic), first.

And between-whiles we keep success can be the kiss of way, but never mind, it is scenic), first.

Here in a remote French visor yellow-filtered countryside (for coming back to our hero and heroine, as they conduct culturary ated from the kooky individual attacked by a motor-cycle gang lage is "Father" Gerard Departing the kiss of way, but never mind, it is scenic), first.

Here in a remote French visor yellow-filtered countryside (for the devil-meeting scenes) can be the kiss of way, but never mind, it is scenic), first.

Here in a remote French visor yellow-filtered countryside (for the devil-meeting scenes) can be the devil-meeting scenes or yellow-filtered countryside (for devil-meeting scenes) can be the kiss of way, but never mind, it is scenic), first.

Here in a remote French visor yellow-filtered countryside (for devil-meeting scenes) can be the kiss of way, but never mind, it is scenic), first.

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Here in a remote French visor yellow-filtered countryside (for devil-meeting scenes) can be the kiss of way, but never mind, it is scenic), first.



Koji Yakusho and Pukumi Kuroda in "Tampopo"

is distressingly short.

Malkovich manages surgically to insert some charm into his ing garage girl who aids them rules, and there is technical wizardry in the shorts where he doughost town which comes to life turned into a pantheistic celebration of it. When it comes to roles, and there is technical wirhuman appetite and aspiration,
Itami suggests everything connects." The best of the 1960s
spirit is alive and well, and living

American commercial

maisovati manages suggestly
in garage girl who aids them
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> uproar not witnessed since the St Bartholomew's Dsy Massacre when this work won the Golden

rice Pialat. Father D expresses his doubts about his vocation, Pather P tut tuts over his friend's inability to find peace and his tendency to excessive self-mortification. (Departies like lagellates and starves himself: thoogh you would not guess either from his beefy rugby-player's physique). Soon Father Gerard is put to the ultimate test. He meets the Devil, in the beguiling shape of teenage murderess Sandrine Bonnaire who waylays him on a country

walk. Will he prove a saint, as

Father Pialat suspects, or a spiri-tual no-hoper as we suspect? The suspense is bearable. Veteran French director Robert Bresson trod these gnomic by-roads of Catholic torment far more convincingly, in his own Bernanos, adaptations, Diary Of A Country Priest and Mouchette. Pialat's

The lights in the vast arena dim. spootaneity oever surfaces in apart from four red laser beams this well olled machine.
that mark out the central stage;
the audience rises in awe, searching for the star. How will she materialise – like Greek Aphrod-Solent, It is much finer, or at

excitement is over. For the next ous soul songs which attempt to in his book, Writing in Restauninety odd minutes there is little inject casual affairs with the
to do but recite the statistics that drama of grand passions. Rarely
prove that Whitney Houston, this can an artist be so detached from perfect android in a blue dress, her material. Watching this beautient of the him lineary in Restauprove that Whitney Houston, this can an artist be so detached from perfect android in a blue dress, her material. Watching this beautient of the him lineary enjoys the exercise, graphically karen attempts to coovince model in his book, Writing in Restauportrayed. Director Gregory Bobby a film should be produced only in pessing that "we Americans have all considered Hollywood, at best, a sinkbole of venal generates more wealth than Bultiful veneer throw off songs like the industry's the produced of t garia. She has had more successive American oumber one credible as the performance of records than the Beatles; she has weather forecasters as song and sold ont Wembley for more dance men in Christmas TV spec-

ness than Lew Grade.

To be frank her performance some genuine emotion into the on Wednesday was an improve- evening if had oot followed an ment oo her last visit to the introduction of the band of such Arena. There were fewer of those unrelieved tedium that it created bravura throat exercises, those mass brain damage. Of course bravara introat exercises, those mass brain damage. Of course screechy imitations of the Para-Whitney Houston puts on a good guayan parrot, and, apart from show – the band is excellent; the the casual "I love you all" and stage is awash with backing singthe outrageous lie, "I want to feel ers and dancers; she looks subjout," there was less blatant lime if demure: but nothing can insulting of the intelligence of hide the bollowness at the core, the audience. But for a "soul" And then the awful thought singer Whitney is still remorse- comes that showbiz glitter has essly devoid of any soul. She always been her life, and that for

Macbeth/Stratford-upon-Avon

Martin Hoyle

Two years ago Adrian Noble's production of the ill-starred Scottish play proved an immense success at Stratford though its ten-sion dissipated when transferred to London. In this RSC revival in the Royal Shakespeare Theatre both strengths and weaknesses are thrown into sharp relief.

Bob Crowley's box-like set koks more impressive at Strat-ford than at the Barbican. The pace is cracking (no interval). The central couple act together with more apparent give and take than their predecessors. But the basic trivialisation remains.

With Jonathan Pryce and

Sinead Cusack this domestic thriller gave us a bank manager and his wife battling for professional advancement and suburban social status. A younger-looking pair of Macbeths, for all the head-on courage and generos-ity of their performances, evoke the image of children playing murder as others play house.

looks barely out of her teens .no reason why not those produc- amateor dramatic society tions that depict a strong crotic bond between the Macbeths are usually successful. This quick bright thing comes to confusion struggling to be a hard little cookle; with energy and dedica-tioo Miss Root plays against her

Miles Anderson burls himself Miles Anderson burks himself nant household gods and scream-into Macbeth with customary ingly heralding each murder, so intelligence, though with none of Pryce's vacillations of guilt and cowardice. Lacking the requisite vocal richness, be holds some-thing back; but the slightly flat climax to Banquo's ghost scene is the production's fault.

image and is ultimately moving.

Moments of sheer silliness may eventually prompt unintentional

The baby-faced Amanda Root from the feast - not helped by a slice of coarse acting from three

> The most frightening stage children of my experience were three basilisk-eyed bairns at Glasgow's Tron who, some years ago, doubled the witches and young Macduffs, besides broodng over the action like maligmany anticipatory vultures. Stratford has nice middle class English children in nighties with tinkly music for the apparitions;

The Eoglish scene speeds unwontedly, thanks to Duncan Bell's vigorous Malcolm. The Porter's modern jokiness jars laughter (the vengeful Macduff's eruption through the floor besmond Barrit, the unmerving already does), among them the "bubble" incantation with its does the Scots accent wished on revolting ingredients played out Lady Macduff and the Doctor but with the innocuous leftovers nobody else, Why?

Hay Fever/Chichester Festival Theatre

B.A.Young

An unexpectedly sunny spring evening brought out the Chiches-ter dinner-jackets, though a chili wind kept the white ones down. Coward's Hay Fever is an ideal spring comedy, a proper opening to the 27th season, that, as ever, reflects Shaftesbury Avenue more than the Barbican.

Hay Fever is a comedy written in mostly everyday talk. For me, some of the straightfoward lines can be as funny as the consciously funny ones - "She tapped the barometer this morning." "Yoo're getting much too tall, Sorel," "This haddock's dis-gusting." This is not the way Tony Brittoo has directed it, however. He has tried to emphathe every potential laugh, and the younger characters (all of them, that is, except Googie Withers and John McCallum, playing Judith and David Bliss, and Gretchen Franklyn as the

playing.
The first of the three acts gives The first of the three acts gives (which Coward used better later) everyone a trick to do, and they quite straight. Certainly the famdo them handsomely but too ily performance of "Love's Whirle energetically. Need Simon (Alexander Hanson) take such a leap into the sofa? Must Sorel (Carobe parodied. They're funnier later, when people drift into them
are actions a recovery leave the social strains are actions.



Jan Francis

dresser) seem to me to be over- win) has got it right when he

with the game that embarrasses all the guests and ends with all the guests having been found new partners, is full of good com-edy – also of touches of pathos, but these are barely hinted at, so much have the intrinsic pathos of Jackie Coryton (Roth Hudson) (Jan Francis) been visibly established. Tom Kelly's Sandy Tyrrell did not impress me as a young sportsman, and not only because he has not got the required "small hips". Matching the Blisses in the older generation is Gretchen Franklyn's dresser, Clara. The

Blisses are played exactly as you would expect Googie Withers and John McCallum to play them, and it would disappoint the andi-ence if this were any different. There is a set by Peter Rice with a staircase and a balcony with only one mean door leading off it. There is also an outside door on win) has got it right when he plays his geographical smalltalk (which Coward used better later) far as I could see. We might have seen the guests' departure that way, and we might have been wind" is comic, but it's comic given the sound of Sandy's car.

Nothing can stop this being a female and the audivery funny play, and the audience laughed like hyenas, but I about quite so vigorously? Diplo- accidentally.

mat Richard (Christopher God- The second act, that begins in a week or so.

William Glock/Elizabeth Hall

Max Loppert

the 80th birthday of Sir William for its narrow mindedness and Glock presented the London Sin-lassitude to being a force for culfonietta (conductors Elgar tural horizon expansion of unpar-Howarth and Harrison Birtwistle) alleled vigour and enterprise. and the Ensemble intercontemporal (conductor Pleare Bodiles)
the planists Peter Bomohoe and viously easily scorned figures of Martin Roscoe, and the singers modern music (such as Schoen-Sarah Leonard and Elisabeth series of Webern, or late-Stravingers and were now being heard acru-Laurence. The music was by Bir. sky) were now being heard, scrutwistle (including a work by him inited, and re-evaluated, or that specially written for the occa.

Europe's significant younger nself a tribute of the highest kind; it was an occasion at once awe implicing, challenging, stimulating, and intimate. The man who, in the words of a superb programme tribute by Peter Haw depressions and concert time. Glock's whole stance was the vanquishment of the single, setting setting, setting and attitudes to music in particular, and to art in general, that had provailed so long and so depressions to the same stance was the vanquishment of the single setting. sion), Stravinsky, and Boulez. The gathering of such forces is itself a tribute of the highest programme tribute by Peter Heyworth, more than any got us out of the rut of whole of music, present and past. one ... got us out of the rut of the Fifties and initiated reforms that re-energised the entire musi-

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cal scene" deserved no less. Cal scene" deserved no less. Glock's career, as critic, music educator, magazine editor, con-

tinized, and re-evaluated, or that composers were being given air and concert-time. Glock's whole had prevailed so long and so depressingly, and it was evi-denced in his approach to the

publisher (and many other things rechercibe areas of music along-besides), has been fuller and side the broadcast re-affirmation transformed the Corporation's Prom prospectus — a worthy and achievement, and gratitude to music department from being (in exciting continuation of the sum- the man who inspired it.

Wednesday's concert celebrating Heyworth's words) "a bye-word mer series transformed by Glock from a "stereotyped series of pop-ular concerts" (Heyworth) into the most exciting summer music fastival in the world — may fairly be said to prove it. ...

It was a moving gesture to bring Boulez from Paris with his splendid Eusemble for Le Marteau sans maitre, that Boulez key-work of the '50s which in 1957 Glock introduced to London in his ICA concert series; the appearance, just over a decade later, of Boulez himself as chief conductor of the artistically revi-talised BBC Symphony Orchestra initiated a period in London concert history that (limited and flawed though it may have been) one now looks back on with hun-Anyone (like myself) educated ing to hear, in this context, Birat a British university during the twistle's 35-minute tour de force Glock BBC days will readily Secret Theatre, or the small, pun-Glock's career, as critic, prusic recall how thrilling it was to gently lyrical Birtwistle setting educator, magazine editor, conhave regular radio "back-up" for of Rilke's poem "An die Musik" cert organizer and promoter, and studias 'into unknown or produced for the occasion, or the grandly laid-out performance of Stravinsky's Concerto for Two richer than any short notice can of music's main routes and habi- Planos that came between the adequately describe. But one tais, Even now, in the horizon-main item of it stands out as crue shrunk 80s, and in spite of all interest in the new and the cial to the postwar history of the debased lowbrow criticisms "older oew" has always been music in Britain: from 1959 to to which Radio 3 has been without boundary. It was alto-1972 he was Controller of Music recently subject, the Glock spirit gether a moving occasion: one at the BBC, and in that time he still survives there. The 1988 feels only gratitude for its

Whitney Houston/Wembley Arena

Antony Thomcroft

nights than Billy Graham; she taculars. has more relations in the busi-

now manages to move a little, this gorgeous, remote, transient guided by three lively dancers, creature second hand sentimenbut the façade never cracks, tality is reality.

materialise - like Greek Aphrod- Solent. It is much uner, or as materialise - like Greek Aphrod- Solent. It is much uner, or as the from the depths, or Roman least stronger, than that of works from the skies? Surely she mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than that of mother Thehna, aunt Dionne or friend Aretha. It is a thing of least stronger, than the condition of the world.

There is a spot devoted to gos

Speed-the-Plough/Royale, New York

fers to laud the industry's demand that writers "stick to the plot and not cheat," he burrows into the less salubrious aspects of the town and its people of Speed-

The playwright, fresh from the success of House of Games, his film directing debut, takes obvi-ous delight in concentrating his venom on the closely observed portraits of Bobby Gould (Joe Mantegna), the receotly appointed stodio-production head, and an old friend, Charlie Fox (Ron Silver), who is present-ing a film deal for the major star, Doug Brown. With moving cloths still on most of the furniture in Bobby's new office, the initial dialogue amplifies Charlie's admission that "my job is kissing

tain himself. "You think about a concept all your life - wealth." the Plough, which has jost he says, staring at his early-opened at the Royale on Broad-morning glass of Remy Martin The dialogue has a new range, taking in Hollywood jargon, promoters' lingo like "pay or play" and eloquent, if scatalogically-infused, runninations on the promoters' in the promoters. ise of looming success. They are intelligent lost souls who believe they have chased the rainbow to take is the casting of Madonna as Karen. Her leaden delivery does convey innocence and only moved up the socio-economic scale from the street-hustling ver-

nacular of American Buffalo.

Anticipating the fortune he expects to make on the oew movie, Charlie can hardly contine himself the movies the movies of the movies drama, the cynics with the 1988 but manipulative innocence. The plot is Mamet's ultimate revenge on Hollywood, showing the film industry at its narrowest and echoing Bobby's line, "I make the movie everyone made last year,

not convey imnocence and only worsens the playwright's diffi-culty of endowing female characters with the obsessioo that The plot turns on the arrival of drives the men to eloquence. Bobby's temp, Karen. Charlie Madonna is the one concession to challenges the new executive to Hollywood, guaranteeing the play seduce her. Bobby invites Karen a long run in much the same way over with a precis of a preten- as Doug Brown is sowing the fortious eastern novel about radia- tunes of Charife and Bobby.

Arts Guide

Theatre:

LONDON

Cut on a Hot Tin Roof (Lytishum). Ean Charleson and Lindsay Duncan lead this white-hot National: Theatre revival of Tennesses Williams play directed by Howard Davids. Eric Purber, returning to the stage after an absence of 12 years, is an electricising Hig Daddy, (222 MM). The Common Pursual (Phoenic). Second London chance for flawed Simon Gray comedy about Cambridge University graduates in love and publishing. The author sheets a good, young and fively cast of post-python comedition including Rik Mayall and Staphen Fry. (255 2294, CC 240 965).

Mayall and companies.

CC 240 9681

Easy Virtue (Garrick). Transfer of King's Head revival of early Med Coward, some period but heavy vintage than Hay Force, but worth seatons (279 8107)

Redgrave is his loyal but defected spouse. A collector's hom. (800 2578, CC 839 1436).

South Pacific (Primes of Wales). Average, traditional revival of the great Rodgers and Hammerstein numbel, Genma Craven failing to wash Emile Belcourt out of her hair.

Sindle Beloout out of her hair. Sindley Valenthes (Vandeville). Pauline Collins in fine, funny and highly entertaining monodrama by Willy Entered of Rheartton for a Liverpool housewife holidaying on Curta. Stades of Been's Nora and Beckett's Windle, with jokes, 636 2567, CC 379 4440. Rads April 30. atom of the Opera (Her Majde Printer of the Care motionally nourishing new masked by Andrew Lloyd Webber. (839 2244, CC379 6131/

Python comedians including Rik Mayall and Suphen Fry. (636 2834. 240 7200).

Cast 9621 220 7200.

Coward, same period but heary vintage than Hay Fever, but worth seating. (879 8007)

Bloody Poetry (Royal Court, Howard. downed theare. (879 8309).

Brenton season suitably inaugnated with this fine play about to make the minoral artist in exila. Series Meyer and Shelley, a fleres mediation on the unloved artist in exila. Ser champagne-swilling yuppier how the Big Bang led to class 1745).

for champagne swilling yuppies:
how the Big Bang led to class
tunnit and barrow-boy dealings on
the Stock Enchange, 638 3028, CC
379 6535; Enda April 39.

A Touch of the Post (Comedy). the Stock Exchange. 226 2028, CC Vanessa Redgrate and Thaothy Dal. 379 6585; Ends April 38. ton-in profix but flacingting CNeff! Each with a Vengeance (Strand). Play set, in the aftermath of the Barry Humphries, indisposably the European republicant unbeswale: outstanding wanderfillen of the age. Dalton is Con Malody, a Byronic has extended his triumphant Lonwrock pipe-dresuning in the bar.

Fravelling on Business?

Entry realing your complimentary copy of the Financial Times when you're similing. FINANCIAL TIMES

Byerage has now earned full immunity to good taste, while the bibolious diplomat Sir Les Patterson touches new heights of degradation. (856 2850/4148)
Happood (Aldwych). New Tom Stopperd mixes espicoage, romance and higher physics in a splendidly tant and clever entertainment. Falicity Kendal is the eponymous intelligence agent, Rogert Rees and Nigel Hawthorne in elegant support. Double meanings and double identities abound. (836 6404, CC 379 6238).

NEW YORK

Pences (45th Street). August Wilson hit a home-run, this year's Pulitzer Prize, with the powerful tale of an old baseball player raising a family in the 1950s, trying to improve their lot but dogged by his own fallings.

(221 1211).

Caris (Winter Garden). Still a sell-cut, Treven Num's production of T.S.

Trevor Num's production of T.S. Eliot's children's poetry set to trendy music is visually starlling and choreographically feline. (239 6262). Chorus Line (Shubert). The log-

A Chorus Line (Sinnert). The ing-gest-running minical ever in Amer-ica has not only supported Joseph Papp's Public Thester for eight years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions. (239 coot)

6300).
Les Miserables (Erosdway). Led by Colm Wilkinson repeating his West End role as Jean Vallean, the magnificant spectacle of Victor Hugo's majestic sweep of history and pothos brings to Broadway lessons in pageantry and drawn, if not strict atherence to its original source. (239

search. Startiest (Gershwin). Those who saw the original at the Victoria in London will burely recognise its American incumation: the akaters do not have to go round the whole theeirs but they do at least get good

exercise in the spruced-up stage with new bridges and American scenary to distract from the backneyed pop music and trumped-up, stilly plot. (586 6510). Me and My Girl (Marquis). Even if the plot turns on ironic minimary of Pygmalion, this is no classic, with forgatiable sougs and dated leaderness in a stage too full of characters. But it has proved to be a durable hit on Broatway with its marvellous lead Browiway with its marvellous lead role for an agile, engaging and defi-actor, preferably British. (947 0036).

WASHINGTON

The Search for Signs of Intelligent
Life in the Universe (Elsenhower).
Lify Tomlin repeats her Tony-award
winning solo performance of the
crasy people who inhabit her funny
and strange imagination. One major
segment explores the progress of the
women's movement over the past
decade. Ends June 28. (254 2870)
The Mystery of Edwin Droad (Kenthe Mystery of Edwin Drood (Kennedy Centre Opera House). The Broadway hit musical based on Dickens' unfinished novel features the music of Rupert Holmes for which the pop composer won a Tony, Ends May 1. (254 3770).

CHICAGO

International Theatre Festival: The American debut of the English Shakespeare Company performing the seven Wars of the Roses plays, beginning with Richard II, high-lights the month long schedule of 20 productions from 13 companies representing Spain, France, Ireland and South Africa among many others. Ends May 29. (644 8378).

TOKYO

Yume no Yuminsha in "Hanshin" Theatre Apple, Shinjuku. A recent survey indicated that Yume no Yuminsha was the most popular theatre group among today's young

generation in Japan. Hideki Node's productions are complex fantasies with a strong vein of surrealist humour. Node himself is a high-en-ergy comic performer of great presence and charm and the entire com-pany are skilled in song, dance and arrobatics. 'Hanshin' (haif god) is about Sizmese twins and various attempts to separate them. This is Total Theatre at its most exuberant. Ends May 15.

Kabuki (Kabuki-za). (541 3131) This Eabnid (Kabuki-za). (541 3131) This month's programme features two of the most spectacular works in the kabuki repertoire. At 11am, "lossyama Onna Telkin, has a first act consisting of two plays performed simultaneously. It makes use of two hanamichi (the raised platform which extends into the anditorium) and two sets of singers, one on either side of the stage. One of the pieces in the performance at 430pm, "Shiranami Gonin Otoko," is an elaborately stylised Oght acene. Excellent English earphone commentary. Ends May 27.

mentary. Ends May 27.

Bunnakn, National Thesire (255 7411).

The puppet theatre is one of Japan's most refined art furms. Each doll has three operators who remain in sight of the audience throughout the performance, but their presence is 5000 forgotten, as the narrator at the side of the stage unfolds the story to a musical accompaniment. The bunraku company is based in Osaka and visits Tokyo only twice or thrice 3 year. Two programmes. or thrice 3 year. Two programmes, at 12 noon and 5pm. English ear-phone commentary available. Ends May 22. Nippon Cha! Cha! Cha! Open air,

experimental production in the gar-den of the Setagaya Art Museum. About an Olympic hopeful in trackand field and a woman reporter who follows his every movement. May 11 -16 only (584 5689) Beehlye: Off-Broadway musical, in English - a spoof on the early 1960s. Yubin Chokin Hall Ends

May 6-12

The Wars of the Roses (Tokyo Globe Theatre, Shin-Okubo). The English Shakespeare Company opens Tokyo's newest theatre with Michael Bogdanov's lively and inventive production of Shakespeare's English history plays. The theatre was designed by RibA gold medallist. Arata Isozaki, as a wity pasticish of the Elizabethan original. A bare stage throws the focus on to the actors and on to costumes that range from medicant through Victorian to punk. Barry Stanton's fine Falstaff in Henry IV is an excellent foo to Michael Pennington's angular Prince Hal, All plays are in English and these are six plays in repertory. (343 4751). Henshin (Theatre Apple, Shinjuku). A recent survey indicated that Yume no Yuminsha was the most popular theatre group among today's young generation. Hideki Noda's productions are consider fantasies with a

Saleroom/Antony Thorncroft

stream among today's young generation. Hideki Noda's productions are complete fantasies with a strong vein of surrealist humour, rather as if Monty Python were invited to attend a traditional Japanese street festival. Noda himself is a high-energy comic performer of great charm and presence while the entire company is skilled in song dance and acrobatics. Hanshin (half-gad) is about Stamese twins and attempts to separate them, but the plot is less important than the outpouring of visual invention. This is Total Theatre at its most exuberant.

Turner Bequest at the Tate). The price could exceed the £7.37m Amsterdam, Stadaschouwburg. The English-Speaking Theatre of Amsterdam opens its 10th amiversary summer season with the world premiere of Svarupa's American Gothic, a macabre comedy about a family's reactions as one of its mean bers changes unwillingly interpretable for turner's view of Folkestione, also sold at Christie's (by the heirs of Lord Clark), which has subsequently disappeared from sight, but which is still in the UK. With Turner under-represented in foreign massages at the sented in foreign massages.

Empress Elisabeth of Austria, and an early manuscript by Jean Genet of his play "Les Negres," both unsold at £10,000.

The top price was the £23,100 paid for a letter by Goya commenting on restoration work to naintings. Goya letters are very rare and the price doubled the top estimate. Tracts by Guy de Chauliac, one of the most influen-tial surgeons of 14th century France, made £12,650 while 140 letters by Philip IV of Spain sbout the administration of Spain's North African forts realised £12,100. Albert Einstein's telescope, made in the late 18th century by Jesse Ramsden, sold

cheaply at £1,100. Christie's sale of English furnifamily's reactions as one of its members changes unwillingly into a famous comic-book freak. Directed by the author. Dress rehearsals on Tue, Wed: opening night Thur. (24 bought by an overseas bidder.

Christie's is hoping to make Christie's sale of English turm-ture brought in £334,114 in the morning session with a top price of £17,600 paid for a George III christie's is hoping to make

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday May 6 1988

The price of freedom

cases the joy is entirely compre-bensible, indeed impossible not to share, when one thinks of the individuals directly concerned, yet st the same time it cannot tion would be widely attributed to this one factor.

If the Cartes are time in the interpretation would be widely attributed to this one factor.

Emotions

As a leading French journalist remarked yesterday, this joy, like the fear, anger and frustration which preceded it, is part of the terrorist arsenal. It demonstrates the hold which a group of cynical and ruthless men can establish over the emotions of a large body of humane and civilised people, simply by playing with the life and liberty of s few unfortunate

Individuals.

That fact is unpleasant in itself. It becomes positively dangerous in its implications when one remembers that the people in question are citizens of a democracy, whose emotions have to be taken into account by their government when it frames its policy. Such a reflection is inescapicy. Such a reflection is inescapsble when, as in the present case, the event occurs in the immedi ste run-up to a national election.

Clearly the release of the hos-tages is something valued and desired by the French electorate. How could it not be? Equally nat-urally the French government. as part of its duty to work to obtain the hostages' release, and expects some political advantage if its efforts are crowned with success, it is therefore entirely natural for cynics (of whom France has its due share) to conclude that the government has arranged and timed the whole thing for political advantage

That is probably unfair. In fact the release has almost certainly come too late to win the presi-dency for Mr Jacques Chirac, and there is every reason to think he with French policy, resort again did his best to make it happen sooner. To stage it deliberately in the very last week of the cam-

THE EXPLOSION of public joy which yesterday greeted the and too crude, with a very great danger that it would backfire. hostages after three years captivity in Lebanon recalls the similar explosion in the United States seven years ago when the staff of the US embassy in Tehran were released after 444 days. In both cases the joy is entirely compression of the compression o

If the Carter precedent is anything to go by, the timing was probably dictated not by the French government but by the holders of the hostages, either precisely with a view to humiliat-ing Mr Chirac or, more likely. ing Mr Chirac or, more likely, with the aim of extracting the maximum price from the outgoing government while avoiding risk of having to start afresh with a new government which might take a harder line — as Mr Ronald Reagan had strongly hinted he would do in 1981, and President Mitterrand likewise suggested last week when be attacked Mr Chirac for releasing Vahid Gordji, the Iranian wbo vanin Goroli, the Iranian woo had been accused of involvement in the Paris bombings of 1986. There is little doubt that this release, like that of the Lebanese suspect, Mohammed Mouhajer, in March, formed part of the Fran-co-Iranian bargaining process.

Pressure

That there was a bargain no one doubts. This is a bitter fact for the British hostages still in Lebanon, and for the British government which is steadfastly refusing to bargain for their freedom. It is all too easy to present the British government as cal-lous and unrealistic, the French as humane and statesmanlike. Yet the fact is that France has shown its Middle East policy can be influenced by hostage-taking. Whatever the merits of France's involvement with Iraq, and how-ever good the arguments on their merits for an improvement in relations with Iran, it is not a happy position for future French governments to know that Iran can, whenever it is displeased with French policy, resort again to this kind of pressure with

Sex, the law and economics

THE LORD Chancellor and his feliow law lords employed impectable logic yesterday in ruling and women doing precisely the same job are paid the same. In other words, male and famale samings into line with those of would have to be paid the same. earnings into line with those of would have to be paid the same comparable male craftsmen, in this instance a joiner, a painter and a thermal insulation engineer. The decision represents a coup for the women's movement the relative worth of these jobs is and could lead to a flood of similar equal pay claims. The main issue raised by the judgment is discrimination laws would consider the confidence of the con the extent to which equal pay law should be amended.

Artificial

Lower courts and tribunals bad dismissed Miss Hayward's claim for higher basic and overtime pay is no sign that true equality is on by arguing that when benefits in the horizon. Moreover discrimination, such as sick pay and addination is possible precisely thind, static the convincingly static than comparable male workers. It was "artificial", they argued, to distinguish between pecuniary and non-pecuniary forms of remuneration. The lsw lords remuneration. The lsw lords agree, but argue convincingly that this is what the present law requires. If a woman can point to any term in her contract thet is less favourable than that in a comparable man's contract, she can demand rectification regardless of their relative overall remuneration.

Worse paid than the men's. Unless some form of comparison of male and female jobs is allowed, progress in equalising pay is likely to be extremely slow.

The UK, it should also be noted, has a long tradition of job evaluation and assessment. Marremuneration.

remuneration.

The lower courts apparently allowed their legal judgment to be swayed by ecocomic considerations. They feared that if individual terms in s contract could be compared in this way, then the doors would be opened to all manner of inflationary learning. the doors would be opened to all manner of inflationary leap-frogging in pay. Male workers might respond to higher basic pay for women by demanding offsetting improvements in their non-pecuniary terms. The economic worries are sound enough: the law should certainly be amended to ansure that courts are shie to ensure that courts are able to take pay and non-pay factors into account. It is worrying, however, that the lower courts were so heavily influenced by what they felt mada economic sense: their job is to interpret the law, not decide whether it possesses any economic logic.

The important question is whether more than a minimal amendment of the law is necessary. Many economists would argue that the whole exercise of assessing the value of different jobs is misguided. On this view,

discrimination laws would con-tend that such a limited form of intervention is unlikely to be effective. The law is bere attempting to tackle a very deep-seated problem: women have been paid significantly less than men for decades and there

ket ecocomists may say it is impossible, but those on the ground seem to have little difficulty agreeing what in practice constitutes work of "equal value". Such assessments were not a source of friction in the Cammell Laird case.

Cumbersome

The heart of the issue is the extent to which non-market mechanisms should be employed in pursuit of social goals. Most people would support efforts to eliminate sexual discrimination in the workplace, and until someone invents a better solution, legal intervention will remain necessary. But the present means are cumbersome and hureaucratic, and threaten some loss of economic efficiency. Refinement of existing laws should be a prior ity. And there is no reason why pay equalisation should always require higher wages for women: those who worry about unemployment would urge that men sometimes take a small cut.

Ian Davidson in Paris assesses the campaign for the presidential election in France in the dramatic final days before Sunday's vote

Chirac's struggle to step up

THE LIBERATION of the three French hostages beld in the Lebanon, and the recapture by force of the 23 hostages held hy independentists in New Caledonia, is s dramatic double coup for the French government which may give an extra boost to Prime Minister Jacques Chirac in his contest against President François Mitterrand in this Sunday's final vote in the Presidential election. But Mr Chirac has been trailing so far behind in the opinion polls that the

far behind in the opinion polls that the hostage drama would have to give him a truly enormous increased support to bring him within reach of victory. On the other hand, it may make a signifi-cant difference to Mr Chirac's future political career as leader of tha neo-Gaullist RPR party, if it helps him to narrow the margin of Mr Mitterrand's

The critical question is, what will be the impact of the freeing of tha hos-tages on the 14-plus per cent of the electorate who voted for Mr Jean-Marie Le Pen, extremist right-wing leader of the National Front, in the first round

the National Front, in the first round ten days ago?

Mr Le Pen has praised the military operation on the island of Ouvea in New Caledonia, but condemned the freeing of the hostages in the Lebanon as s defeat for France. "There is only one way to deal with terrorism," he said, "that which was employed on Ouvea." Last Sunday Mr Le Pen advised his followers not to vote for Mr Mitterrand but without unging them to Mitterrand, but without urging them to vote for Mr Chirac, since his own success has been largely achieved at the expense of the Gaullist candidate.

It is uncertain whether Mr Le Pen's advice will have a decisive effect either way on his disparate supporters. But way on his disparate supporters. But their sudden emergence on the scene ten days ago as a new political force which has split the right, has captured the attention of political commentators and analysts.

and analysts.

The phenomenal hreakthrough achieved by Mr Le Pen has not merely overthrown all previous expectations shout voting behaviour, it has even threatened the national self-esteem of many people in France.

Until yesterday, the second round of voting on Sunday looked so much like a foregone conclusion as to risk being an anti-climax.

Although in the last few days of cam-

Although in the last few days of cam-paigning, Mr Chirac has been raising the volume and lowering the tone of his the volume and lowering the tone of his electioneering. Mr Mitterrand, the standard-hearer for the socialists, is assumed to be a virtually certain winner. Even if few people seriously expect his margin of victory to be as wide as some of the polls have been predicting — 55 per cent — the prospect of victory could only be seriously threatened if enormous numbers of socialist voters complacently stayed at home.

One factor persuading them to vote

One factor persuading them to vote may be the popular obsession with the Le Pen factor. In any conversation you will meet perplexity and even a sense of national shame that Mr Le Pen should have done so well in the first round (his score of 14-plus per cent was significantly ahead of anything pre-dicted in the opinion polls) and Mr Chi-

rac so badly (under 20 per cent).

Quite apart from the moral shock,
however, the French have been intellectually astonished by the Le Pen earth-quake. Over the past ten days, the press has been full of exhaustive attempts to find reasons for it, with in-depth analyses cross-cutting voting behaviour by town and region against personal characteristics and socio-economic or ideological factors.

Mr Le Pen's themes of xenophobia, law and order, and France-for-the-

Freuch are manifestly designed to bring out the protest vote. Sure enough, his biggest scores tended to coincide with areas of high immigra-tion and/or high unemployment, or both, such as Marseilles, Lyons, Paris

or the North-East.

But when the analysis moves from generalities to a close examination, the narrow unemployment/immigration correlations become more elusive. For example, in Alsace, immigration and unemployment are both low, but Le Pen still managed to score over 21 per

Some analysts, like Professor Hervé Le Bras, point out that Le Pen's sup-port is largely concentrated in the East or South of the country, that is, in those areas in closest contact with for eigners, whether inside or outside the frontier, and that this geographical pattern also corresponds broadly both with the level of violence (complaints of woundings), and with the incidence of contact with the contact anti-semitism at the turn of the cen-

Other commentators argue that the Le Pen vote is an aggregation of at least four distinct strands: elderly people who are worried about law and order, small farmers who face economic decline as a result of the reform of the European Community's farm policy. left-wing fugitives disillusioned by the anachronism of the French Communist Party, and s hard core of ultra-right malcontents who identify with Pétain or Algèrie Française against the ortho-

or Algerie Française against the ditho-doxy of Gaullism.

Yet others speculate, more generally, that Le Pen represents the intersection between the final convulsions of a colo-nial past (his heavy support from North African immigrants, plus the violence in the Pacific territory of New Cale-donia), and a European future in which unemployment and industrial restructunemployment and industrial restruct-uring are more apparent to the under-dogs of French society than the

dogs of Frence shelety than the long-term benefits.

At all events, it is noticeable that whereas everyone in France talks constantly both about "la crise" and "l'Europe 1992", the mainstream political parties have all dumped their intellections are the mast five years; the parties have all dumped their intellec-tual baggage in the past five years; the socialists have adopted the tone of social democracy, while the Gaullists have thrown away their traditional

Although Mr Chirac has raised the volume and lowered the tone of his electioneering, Mr Mitterrand is assumed to be a virtually certain winner.

populism and dirigisme in favour of deregulation and market forces. It would not be surprising if those who feared losing out in the single Euro-pean market looked around for something simpler and more vigorous. Whatever the real reasons for Le

Pen's success, there is an operational issue which is politically pressing and issue which is politically pressing and unresolved, and which may be part of a different kind of explanation. If there is such a large protest vote in France, why were the politicians taken by surprise? Although none of the published opinion polls credited Le Pen with anything like 14 per cent (and as a result



Conflicts on the right between (from left) Jean-Marie Le Pen, Jacques Chirac and Raymond Barre leave

the polling institutes have some ques-tions to answer), moderately well-or-ganised national party machines have tentacles reaching into every corner of the country. Their leaders ought to have a shrewd idea of what is going on, if the political leaders were taken by surprise, there must be something wrong with the party machines, or with the leaders.

Many commentators have accused

Many commentators have accused the country's political élite of being oot of touch with the people and have argued that this remoteness is doubly argued that this remoteness is doubly damaging in a period of economic difficulty. The charge was framed most forcefully by Serge July, editor of Liberation, in the immediate aftermath of the first round: "All these men, speaking the same technocratic language unleaded with damaging as transfer." vulgarised with demagogy, as imper-turbable as eternity, juggling with indi-ces and abstract ideas, represent for many voters a sort of governmental uobility. A caste which is untouched by failure or the absence of any visible or verifiable effectiveness, as if they alone possessed the right to govern.

Mr July's analysis is the more damaging in thet he includes politicians of both left and right in the same indictment: they all belong to the same caste and all behave the same. "That the men of failure, of left and right, not only should go unpunished, but should even reign imperturbably over French politi-

tion . . . It is true of Beregovoy and Fabius [former socialist ministers], but even more of [Finance Ministers], one even more of [Finance Minister Edouard] Balladur and [Budget Minister Alain] Juppe, for whom even the simple alternation of left and right belongs to the category of crimes against the spirit."

Mr July may be prejudiced; his paper leans distinctly in favour of Mr Mitterrand. But whatever the explanation for Mr Chirac's set-back on April 24, there can be little doubt that it is closely connected with the explanations for Mr Le Pen's hreakthrough, Mr Chirac'a neo-Gaullist movement has suffered a serious loss of political credibility, and faces a major task in recapturing lost ground on the right.

The difficult question is this: do the Gaullists need to change the message or the messenger, or both? President Reagan came to power by promising a rainbow, Mrs Thatcher by promising retribution for bad behaviour, whereas Mr Chirac's stock-in-trade was an elusive if consensual message around the theme of Europe 1992, delivered in the ready-mada machina phrases which come naturally to elite French bureau-crats, but which may have seemed remote and self-satisfied to the protestvoters on his right.

All mainstream politicians in France today claim the legitimacy of the Gaull-

ist inheritance; but what do the Gaullists themselves really stand for? The answer is not clear. The current Gaullist beliefs — deregulation and market forces. European economic integration, and French defence co-operation with its European partners in Nato — bear virtually no relation to anything the General subscribed to. Mr Chirac publicly admits that there is almost no ideological difference between him and the centre-right parties of the UDF; whereas the halimark of the General's mastery of the political scene was that he stilled any attempt to mobilise populism on his right.

Tha Gaullist party's dilemma, between Le Pen and the centre, is exemplified by Mr Chirac's two lieutenants. Mr Charles Pasqua, a mediterranean populist with an instinctive inclination for the rough-and-tumble of the right, naturally prefers to woo the Neticular Front voters. In contrast, Mr

inclination for the rough-and-tumble of the right, naturally prefers to woo the National Front voters. In contrast, Mr Edouard Balladur, an infinitely smooth administrator, has proposed that the neo-Gaullist RPR party should strengthen its position by taking over some or all of the centre-right partias. The choice between these two tactics will be fundamental for the future of the Fernich right, it seems obvious that the French right. It seems obvious that they cannot both be pursued simulta-neously; whether Mr Jacques Chirac-has the credibility to pursue either of them depends on how well be does on

Sunday.

All mainstream French politicians will be asking themselves whether the Le Pen factor is likely to be durable and hoping that it will sink as rapidly as it rose. Those who believe that it is as it rose. Those who believe that it is an ephemeral force tend to write it off as a protest party with a disparate fol-lowing and no coherent political pro-gramme. On the other hand, some of the factors provoking protest, such as high unemployment and concentrations of immigrants, seem likely to endure for several years. Moreover, the momentum behind Mr Le Pen is likely to be sustained by the cantonal elec-tions in the autumn and municipal

tions in the autumn and municipal elections in a year's time, reinforcing his party's structure and its access to local political leverage.

If Mr Mitterrand wins on Sunday, therefore, a good deal may depend on whether he calls new general elections. If he wins by a very large margin, he must be tempted to call immediate general elections. On the other hand, his must be tempted to call immediate general elections. On the other hand, his stated preference is to seek a new centre-left majority in the exiating National Assembly by offering an opening to centrists, and he is said to be wary of the unwelcome consequences of a particular to which the excellent of a parliament in which the socialists are too powerful. He may also fear that new general elections could further strengthen the position of the National Front. Since neither the centrists nor the Communists will be keen to precipi-tate elections in which they would do badly, Mr Mitterrand could hope to govern for an extended period with a patchwork centre-left government. Yet with such a large protest vote in

a bereeu

the country, Mr Mitterrand will proba-bly need to strengthen his hand hy building a new parliamentary majority in the only way which is reliable; gen-eral elections. Moreover, if Mr July is correct, socialist politicians are as guilty of remoteness and élitism as Gaullists; and since the next few years are not going to be a period of easy prosperity for all, the Le Pen factor could become almost as great a threat to Mr Mitterrand as to the traditional right-wing parties. In other words, the National Front is bound to remain a central preoccupation for the winner as well as the loser in Sunday's election.

Berrill goes quietly

Sir Kenneth Berrill chose that annual hunch of Euram, the international head bunters, to make The current chairman of what amounted to his valedictory Euram is Sir Gordon Brunton,

lems to come.

It is now eight years since he fact that, after Chancellor Lawleft Whitehall, where his last job son's last budget. Britain is regarded as a tax haven.

Brunton and Berrill first met they were at the London to become chairman of Vickers when they were at the London the Stock Exchange exam to prove his credentials. In 1985 he became the first chairman of the contemporaries, he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed SIR — because he can accommend to the contemporaries," he said. "When-represent formed size of the contemporaries, and the contemporaries in 1939. newly formed SIB - because, he ever someone you were at school said, everbody else had turned with is appointed to the Cabinet, the job down and he accepted out you think. My God!" of immaturity. He could have said yesterday

that he had not been re-appointed because he had tried to do too well tha task be was set. In what looks like a triumph for the City establishment, David Walker of the Bank of England is taking over at the end of this month. Instead Berrill claimed that he had loved every minute of it. The factors that he had not foreseen

were the dependence on lawyers and the use of rule books. The rule books, which Berrill is charged with devising at exces-sive length, will have to go on, he says, though they may be short-

ened eventually.

Detailed regulation, ha insists, is essential. There are over 36,000 firms on the central register in what is the fastest changing industry in the country. Some of those firms will be found to to be deficient: hance the warning.

The hlackthorn alone would about troubles to come.

Berrill cited the pitiful letters he had had during his period in office from those who had lost money through McDonald Wheeler, the investment advisers who perhaps should never have been allowed to operate. Some thousands of people, he said, had been unfairly treated. Only regulation could help to prevent thet

OBSERVER

speech as chairman of the Securities & Investment Board. He spoke without bitterness, with some charm and warned of problems to come.

It is now eight were since he fact that after Character I and the fact that after Character I and the spoke without being the speech as the speech

you think My God!" He also threw out: "Behind

every successful man, there is an incredulous mother-in-law."

One little known fact ahont Berrill, which probably keeps him fit, is that he is a powerful swimmer. See him at an hotel with a pool and there he will be ploughing up and down regularly doing his 30 lengths.

Foggitt is back A mini heat-wave could be or the way by the end of May if the flowers on the blackthorn bushes

have got it right, Bill Foggitt, the Thirsk weatherman, assured us yesterday. The flowers have nearly all died off, which is a good thing. "As long as the blackthorn's out

not be sufficient to confirm Foggitt's belief that wa are in for a the seconds between the flash hot summer. The early arrival of and the clap and divide by five. If the swallows was further evi-dence. The first came on April 13, five days ahead of time. "The earliest in my records was April 10 in 1928 and that was a very good

summer," he said.



"It's not about your licence -

evening which was lucky because he heard his first cuckoo of the spring, again quite early for Fortune also smiled through

the weather, which stayed fine and ensured him of a free pint when he reached the Three Tuns. "If it rains, I have to buy my own. I always get hlamed," he

The thunder storms of the past week have ensured a thin time at the Three Tuns lately, but calcu-lating the distance of the storm has kept him occupied. "I count the flash and the clap are together, I dive under the bed."

summer." he said.

Foggitt is recovering from a bout of flu, which perhaps explains his lapse in forgetting to including Lady Chatterley's The Irishman thought for long time and said: "I don't ill we have a word that expression of the control of

Lover which was banned last year, are now respectable in China. Lady Chatterley will be part of

a six volume edition of Lawrence's novels to he published shortly. According to yesterday's China Daily, participants st a recent literary seminar called Lawrence "the most important English novelist since Thomas Hisrdy, some placing him one nice higher than the Irishman, James Joyce."

Masons exposed ■ The Freemasons are waiting

Four Despatches documentary on the Craft to be broadcast at 8.15 this evening.
It may not be entirely compli-

mentary, unlike their own video published last December which has already sold 10,000 copies but was not officially shown to the press until yesterday. Commander Michael Higham

record when tha frogspawn hatched in his pond. He could report, however, that the tadpoles were doing well.

The illness did not prevent him getting out for his walk the other supplies which was lively because. bers," he said.

The video is a little disappoint

ing in that it shows much of Masonic charity work but little of the ritual involving rolled up trousers legs and the baring of breasts etc.

Even the ritual is not what it

was, since they cut out the tongue-tearing-out threat two years ago. There is still the rolled up trousers though: left leg for initiation, right leg for promotion, and both legs for the third degree.

Up to speed A Spaniard asked an Irishman how he would say "manana" in

The Irishman thought for a long time and said: "I don't think we have a word that expresses

A RARE PUBLIC MOMENT IN A LONG PRIVATE STRUGGLE, A MOMENT OF RECOGNITION OF RESOLVE TO



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This year — as in each of the past 16

— his wish is being extended, more in
hope than expectation, to 240 fifth form
children at his Manchester comprehensive school. Next year and the year
after that, it will go out to 50 fewer. In
1001 th will small to 18. In 1000 the.

aner mat. It will go out to so rewer. In 1991, it will apply to 156. In 1992, it will have to stretch around only 150.

For Mr. Schofield's school, in the depressed inner-city suburb of Gorton, is draining away from its roots. An exodus from the city centre is partly to hiame. But the chief culprit is one over which neither Mr. Schofield, nor even the Manchester education committee. the Manchester education committee

holds any power, it is the ebling tide of young people in Britain.

The post-war baby boom produced the first swell in the number of school leavers in the early 1960s. The children of that generation created a second wave of 16 to 19-year-olds, peaking in 1983 at 3.7m. Now the numbers are relentlessly on the slide: in 1994, there will be only 2.8m. The British teenager is becoming an increasingly rare com-

The notion is hard to grasp in a country which only a decade ago was suffering from an inexorable rise in youth memployment, in which punk rock bands sang anthems of teenage despair and frustration, and the Government introduced the much-revited Youth Opportunities Programme to give the surplus some training and keep them off the streets.

But the babies born to the punk generation in 1976 will be fifth formers

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ives in 1992 and are likely to be singing a different song when they leave school. If there are laments, they will come from companies unable to find young people to take on, or head-masters like Mr Schofield having to

masters like Mr Schofield having to plead the virtues of education against the ready option of paid work.

The Government is so concerned at the prospect that it has decided to launch a campaign to alert employers. A survey of 400 companies, carried out for the National Economic Development Office, found the majority did not realise that a problem faced them. Those who did were already planning ways to take most of the available teen

ways to take most or the available been agers themselves.

The employers of Manchester are not yet hegging for Gorton's fifth formers. Of those leaving Spuriey Hey last September, only 28 are known to have found jobs. Forty took up places on the Youth Training Scheme — the successor to the Youth Opportunities Programme — and 58 went on to further gramme - and 58 went on to further education of some kind. The rest are either unemployed, or their where-

abouts unknown.

But straws are starting to blow in the wind. Ferranti, the Manchester-be electronics company, noticed a fall in the numbers applying for apprentice-ships last year. The Trustee Savings Bank added Manchester to the list of. places outside London and the south-east in which it was starting to find some problems in recruiting school.

MR JACK SCHOOLELD, headmaster of Spurkey Hey High School, harbours a simple hope for his pupils, one he has seen too often untabililed. Twant them to reach the privileges of being an adult slowly, he says, not to be seduced out of school by the belief that adulthood comes with a job.

This year — as in each of the pet 16

Sweet sixteen and getting sweeter

For Ferranti, with an annual intake in the north-west of about 40 apprentices and the same number of YTS trainees, the demographic change is not a subject for sleepless nights as yet. For employers of the size of the National Health Service or the National Westminster Bank, it is a potential crisis that personnel managers have seen

looming for several years.

NatWest last year recruited 2,300 of the 40,000 18-year-olds leaving school the 40,000 18-year-olds leaving school with three A-level qualifications—already 5 per cent of the total. An even starker statistic faces the NHS, which hy 1992 will need to take over half of the girls entering the labour market with the equivalent of between five O levels and one A level, if it maintains its current recruitment policies.

Such employers, with the incentive and resources to plan ahead, have come up with three strategies to maintain numbers in the next decade. First, by trying to reduce the numbers needed in particular grades. Scandars needed in particular grades. Second, by trying to

The British teenager is becoming an increasingly rare commodity

sitract and retain a higher proportion of the shrinking number of school leavers. Third, by targeting other sectors of the labour market to compensate for the loss of young people.

Reducing the number required will

often depend on technology. The banks are counting on local branch mechani-sation to ease demands for cashiers and local office workers, traditionally both young and mostly female. Gateway, the multiple retailer, is hoping that labour scheduling systems linked to check-out scanners will allow a more economic

use of staff through flexible rostering. Some employers are starting to dilute academic requirements. The NHS is considering a Youth Training Scheme in elementary nursing for 7,000 young-sters, in the hope that 1,700 would go on to train formally as nurses. The TSB has just dropped its insistence on all recruits having four O levels in favour of a less formal entry test based on its

existing staff's characters and attri-

Much of the effort to make jobs more Much of the effort to make jobs more attractive relies on improving training. Mr Peter Fisher, Gateway personnel director, places much emphasis on the retail industry gaining approval this year for a set of qualifications approved by the Netional Council for Vocational Qualifications, and on Gateway's newly introduced training programme for its introduced training programme for its 68,000 staff.

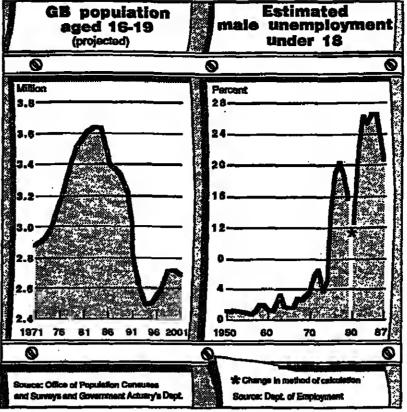
But no matter how effective such ini-tiatives may be in gaining individual companies a larger share of the pool, they do nothing to alter the fact that the pool is getting smaller. Each of the large employers has realised that some diversion into new recruiting areas will be needed in a tightening labour mar-

labour already exist and will swell over the next decade. The most obvious source - apart from the long-term unemployed - is the rising number of women workers between 25 and 44. Their numbers are expected to grow from 7.7m this year to 8.6m in 1994, while the total labour force is set to expand only slightly from 27.5m to 28m. The ethnic minority workforce will also erow steadily.

The TSB is one of the few employers already taking the last point seriously. Having realised that the black and Asian communities will be a valuable source of teenagers, it is recruiting intensely in schools with a large proportion of ethnic minority pupils; its intention is to have a reputation as an equal opportunity employer when other sources of young labour start to dry np.

Most plans, however, are firmly concentrated on the so-called returners -women in their late 20s, 30s and 40s who return to work after having children. For sectors such as retailing, which have traditionally relied more heavily on this source of staff, it is irritating to find other employers starting to catch on. "That's always been our pool," says one Gateway executive, "and now everyone's trying to fish in it."

ous one into which to dip a net. The NHS is relying on attracting back women who have left to have a child as



one of the key ways of addressing the problems of keeping up the numbers of a 92 per cent female workforce. They will be one of the main targets of a planned \$2.5m recruitment drive.

The banks are also targeting returners. The TSB has just introduced, and the NatWest has had in place for five years, e scheme allowing women who take career breaks a guaranteed return to the equivalent of their old job np to five years later.

But in Manchester, there is little evidence of many companies taking the problem of demographic change seriously enough to think of diverting recruitment from school leavers to other groups. Mr Simon Sperryn, chief executive of Manchester Chamber of Commerce, says: "They may be starting to think about it over their cornflakes, but they're not doing anything yet." Even among those alert to the prob-lem that lies ahead, there is no unanim-

ity that efforts to tap alternative recruitment sources will be repaid. Mr Alan Wilding, personnel manager of Sonth Manchester District Health Authority, believes there is little potential to attract significantly more return-ing women because part-time nursing registers already exist.

Some worry that employers will wait until shortages start to bite and then start an auction for teenagers that will threaten established training programmes. Mr Viv Bingham, divisional personnel manager at the Co-operative Wholesale Society, says: "YTS is within sight of becoming a habit in this country and there is a real danger that it could be undermined."

YTS took 333,000 - 65 per cent 16 and 17-year-olds in 1987/88 and the Department of Employment estimates that it will take 71 per cent - 300,000 of those available in 1990/91. Whether

that is borne out will depend increa ingly on the choices made by teenagers. The omens from Spurley Hey are not encouraging. "YTS is still seen as very much a substitute for a real job." says Mr Schofield.

That is certainly the assessment of two 16-year-olds who will leave Spurley Hey fifth form to take up YTS places later this year. Gall Griffiths and Susan Taylor both applied for several jobs before settling for YTS - Gail on a college secretarial course and Susan at Kwik Save, the chain store. Susan says of the idea of staying on at school: "I

just didn't fancy it, really." In a sellers' market, whether YTS will suffer under the pressures of competition will depend on how teenagers rate it compared with other options. Will they be ettracted by those companies offering them better training, or will they be diverted from accepting any extension of school into their working lives by the offer of higher wages What will the successors to Gail and Susan fancy?

Ms Diana Jenda, who chairs the Lahour Party's youth committee. argues that it is the responsibility of training agencies and employers to ensure training is a sufficiently attrac-tive choice in the 1990s. "Young people may not be able to articulate it very well, but they know what they want for themselves. If they reject YTS, we must accept that judgment."

Unarticulated, perhaps yet unformed, the wickes of Spurley Hey's youngest

the wishes of Spurley Hey's youngest pupils will be hard for any employer to ignore in the 1990s. Such power in the hands of young people would scarcely have seemed credible in the decade of their birth, the era of the Sex Pistols and youth alienation. In the next one, the British teenager will be valued

Lombard

Lions should hunt gazelles

By Michael Prowse

WE SHOULD he rightly concerned if a pride of lions and should want to play their part in denly developed a social conthis reversal of social progress. denly developed a social conscience. Stop cuddling helpless science. Stop cuddling helpless science is in workers in the hush, we do so efficiently. When compassions of hunting gazelles, workers – let alone with the order when groups of well-meaning businessmen pledge themselves to charitable causes and social action. The job of business schemes are heavily criticised for is to make profits for shareholders, period. Social policy is best undermining the mobility of workers. Yet this is almost an conducted by others - preferably workers. Yet this is almost an well trained officials acting on inevitable consequence of expect-

role of companies may strike is bound to want to reward the many as wholly unacceptable. loyal and the long serving.

When governments in much of the industrialised world are winding down the post war welfare state, assistance for the poor perfect mobility and much better and underwindered to be the security in old are flut industrial and are flut industrial. source. Surely the revival of business philanthropy—as heralded they are now contemplating in this week's pledges by the large-scale charitable activity: British-American Conference on Private Sector Initiatives—is perform its duties adequately. If something that everybody, left or the National Health Service determinants further they may also be source further they may also be sourced. whole-heartedly support? Caring sucked into the provision of medcapitalism, after all must be superior to uncaring capitalism.

Nothing could be further from employment would be grossly the truth. The rise in business inefficient because people mainly hillanthromy is objectionable in world treatment after that have the first place because it will lend retired.
support to the Thatcher Govern-Some company chairman se

ple's sense of "dependency". In not enough, they also want to reality it will do the opposite.

Charity is something which the supplicant is expected to receive in town planning, education and with humility and gratitude. The social policy generally.

This creeping "industrialisation," of our cocial lines is being programmes in the post war tion" of our social lives is being period reflected a conviction that actively encouraged by ministers, period reflected a conviction that actively encouraged by ministers, the disadvantaged should not be but it should be staunchly forced into this demeaning posture. As incomes rose, the hope of division of labour singgests was that conditional state support could eventually be replaced their hoardrooms and worry by some kind of unconditional about their companies' performs roscial dividend". This liberating mance. Indeed, in a fully competitivision of support "as of right" for the market they should have neighbor their cash to do the distribution of support as of right" for the time nor the cash to do the distribution of support as of right. citizens in need is receding rap- ther the time nor the cash to do idly; in its place the Government otherwise. Instead of handing

inevitable consequence of expect-ing a company to look after the behalf of elected politicians. ing a company to look after
This narrow conception of the interests of retired employer

and under-privileged should security in old age. But industri-surely be welcomed, whatever its alists became involved for right, religious or secular, can riorates further, they may also be philanthropy is objectionable in need treatment after they have

ment's attempt to replace welfare no desirable limit to their pater-programmes with private charity. nalistic role. For them, the provi-The withdrawal of the state is sion of cradle-to-grave welfare supposed somehow to lessen peo- services for loyal employees is

is promoting what amounts to a over their social responsibilities form of begging - the direct to the unqualified, governments dependence of the poor on the good works of the rich.

on labour

From Mr J. P. Read. Sir. With reference to Mr. Sam-nel Brittan's article (April 21) in which he pointed out, in particular, that the proposed poll tax, by adding to the forces which raise house prices, will damage the labour market, there appears to be a fundamental principle that apparently, has been either completely overlooked, or only partly appreciated, by governments for several generations.

This principle is that any reduction in tax on land can only reduction in tax on land can only be made good by a corresponding increase in tax on labour, if taxa-tion revenue is to be maintained. From this viewpoint, although the rates can be considered a rel-atively unsatisfactory form of taxation, in that they are calcu-lated by reference to improve lated by reference to improve-ments instead of site value alone, they are recoverable from the

the contract of the particular tentulation of the energy of Letters to the Editor

tions) has enabled successive Governments to increase the real tax burden and to tax many millions of people who previously did not have to pay tax on their wages.

Ultimately, these taxes are borne by production and passed on in inflated prices to consumers. It would, therefore, appear that the effect of the poil tax will be inflationary, destructive of jobs and of benefit principally to those who not only have to pay less rates, but find that the value of their property increases disof their property increases dis-Meir Heath, proportionately to others as a Stoke-on-Trent. result.

J. P. Read,

ments instead of site value alone, they are recoverable from the ownership of the property and not from wages. With the introduction of a poll tax, there will inevitably be a tendency for the price of houses to increase on the one hand and for higher wage claims to be made on the other. It is noted that it has been specially stated by the Government fall, if a poll tax is introduced, any action for recovery will be that any action for recovery will be that an increasing amount of taxation will be drained by the Government send that it has been specially in maths and physics. . . It will not recommend that it has the schere supply is worse still on the fresh of the switches, with a common supply causing that lend to become even less value able, if not worthless, with a contendent that worthless, with a contendent that it such contendents are closing down for expowering rise in the value of other land, particularly where rates are no longer payable and which is used for purposes which do not require relatively intensive labour usage.

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these countries), the European Commission is unperturbed.

Why should this be? Could it be that the Commission, like the Office of Fair Trading in this country, does not understand how consumer protection really works - and how it can be destroyed by concentrating blindly on "competition"?

Roger Corley, 15 St. James's Square, SWL

Athens safe for the Games

From Mr Grigoris Arzoglow,

Sir, Certain remarks quoted in your report about the Athens hid to host the 1996 Olympic Games, "Two Cities compete for the 1996 Olympics (April 29), cannot go unchallenged. You reported Mr Denis Howell MP as saying that there were problems about security and finance which might

jeopardise the candidacy of Athens. On the first point I would sim ply like to say, without fear of contradiction, that Athens is at least as safe as any other leading European city. Indeed we are able to take pride in a society that is still relatively free of vio-

lent crime.
As for the ability of Athens to finance the event, the entire infrastructure is due to be ready for the 1991 Mediterranean Games, five years before the Olympics. The new Olympic Stadium itself has been in use since before the events of the successful Furnance. before the successful European Championships of 1982.

Championships of 1982.

The three major international athletics championships that we have hosted during the last six years, including the inaugural World Junior Championship in 1986, provide ample evidence of Greece's fitness for the job. Nor did any sacretic woollens arise. did any security problems arise



New Issue

April 29, 1988

330,000 Ordinary Shares US\$82,500,000

Issue Price: US\$250 per Ordinary Share of IR£1 each

Principal Investors:

J Rothschild Holdings plc Allied Irish Banks plc The Bank of Nova Scotia Irish Life Assurance plc The Mitsubishi Trust & Banking Corporation

Aer Lingus plc PacifiCorp Credit, Inc The Toronto-Dominion Bank Mitsubishi Corporation Foreign & Colonial Investment Trust plc

The UK Retail Export Scheme has been amended

From Mr Grozme Hammond.

Sir, Mr Earnshaw (Letters, with the goods by an entitled visApril 18) criticises the UK Retail from outside the European

by Customs but are the responsibility of participating retailers. would be pleased to investigate
mr Earnshaw may have had any specific complaints about
unfortunate experiences of retailers failing to make refunds, but
this is a commercial matter and
mr Earnshaw is mistaken in
believed that there is a three in

April 18) crincises the U.S. Assair nor from conside the European Export Scheme.

Refunds of VAT paid in respect munity travellers, certification is of goods subsequently exported not carried out until importation under the scheme are not made, into the other member state).

no doubt he will avoid the believing that there is a three defaulting shaps on future visits. Many relations make a charge to much time limit in which to cover their administration costs but this too is part of the combut this too is part of the combut are allowed between purchase and departure with the constant of the combut this too is part of the combut this provided expect has been but this too is part of the comchase and departure with the
mercial transaction.

Customs officers at departure cattified a delay in returning the
points make every effort to serform does not affect the entitle
VAT reclaim service, I have Jersey, Channel Islands

ment to refund.

Mr Earnshaw and others may like to know that from the beginretailers to use properly consti-tuted invoices as an alternative to the official forms.

Graeme Hammond. HM Customs & Excise, New King's Beam House, 22 Upper Ground, SE1

Sir, The experiences of your correspondent, Mr Earnshaw

found it advantageous initially to charge the goods to a credit card. and request that the VAT refund ning of last month the UK Retail be credited to the particular Export Scheme has been credit card. In this way, as the amended to allow participating retailer has the benefit of the incentive for action to be taken to process the VAT refund form.

It is worth noting that the John Lewis Partnership will provide the service without any "administration charges", and will give the refund immediately upon receipt of the returned

0932-231055

A BICC Company

Carlucci moves to calm Nato defence row-

MR FRANK Carincci, the US Secretary of Defence, yester-day urged America's allies to do more to share the burden of speech in New York he argued that the debate about burdensharing should not be couched in terms of "an indictment against our allies to justify our

The increasing pressure on the US defence budget has helped stimulate an intense debate in Washington over the extent to which America's allies, particulary those in

oed throughout the presidential campaign as most of the candidates have argued for the defence burden to be shared more equitably.

This week Mr William Taft. the Deputy Defence Secretary, is touring allied capitals to dis-cuss burden-sharing issues.

Mr Carlucci said in his speech, however, that the Administration's latest assessment of the burden-sharing balance - which he has just sent to Congress - concludes that "our allies continue to make a substantial contribution to the common defence, considerably more in fact than they are often given credit

But he added, "even taking their contributions into account many of our allies can and should do more . . . We need also to understand that what we spend on defence must always serve a strategic

"There is," he added, "no fixed percentage of gross national product that we must

spend on defence. What is necessary is a willingness on the part of every alliance member to fund the defences that meet the force goals and alliance missions it has agreed to undertake."

Mr Carlucci rejected argu-neuts that the US is a nation in decline whose economy can-not sustain the defence burden it has shouldered. Such arguments he suggested are not "diagnoses" but "symptoms of very serious change in the way we approach international affairs and our national secu-



US experts do not expect the Moscow summit to produce such positive results as President Reagan and Mr Gorbachev's previous meetings in Washington (left) and Reykjavík (right)

Prospects for an arms breakthrough in Moscow seem slight, reports Stewart Fleming

Summit could be an anti-climax

pects for further progress on cast an even bigger pall over the arms control at the summit meeting between US President Ronald looming over the expected lack of Reagan and Mr Mikhail Gorba-movement on long-range nuclear chev, the Soviet leader, in Moscow this month, many US experts are coming to the conclusion that this President's greatest achievements are already behind

Barring a repeat of the sort of dramatic (and, at this late stage, completion. And it would give manufestrable) negotiations conducted by the two leaders in their to put Western governments on the defensive on issues of ward face-to-face dealing at the Reykla-vik summit in Iceland in 1986, the Moscow meeting, it is argued, is unlikely to result in significant

him) with a presentation prob- the treaty has led the White lem. A successful summit is House to issue stern warnings something American voters have about the problems this would

mined in part over the next few weeks, not in the White House or the Senate wrestle to resolve four in Geneva, where the strategic arms reductions talks are mired ification process in the Senate. in a technical morass, but in the US Senate.

Next week the Senate is scheduled to begin its floor debate on whether to ratify the intermediate Nuclear Forces (INF) Treaty which Mr Reagan and Mr Gorba-chev signed during their Wash-

weapons.

It could mean that the treaty would never be ratified. It would also intensify tensions within the im. were again to fail to bring an Barring a repeat of the sort of agreed arms control accord to

The relatively smooth sailing the INF treaty has had through

Just how big a summit present of Hill are predicting that a tation problem will be deter-period of hrinksmanship lies

what inspectors can and cannot do in verifying the INF accord. It tations made to Congress at the is an issue which, in principle at time the treaty was presented to least, should be readily resolv-the Senate for ratification?. able by the superpowers.

AS THEY try to assess the pros-pects for further progress on cast an even bigger pall over the committee, chaired by Senator of limiting testing of equipment David Boren, that the Adminis- for the Strategic Defence Initiatration has not earmarked in the tive too. The White House is defence budget the several hillion insisting that SDI is inviolate. dollars which the committee believes will be needed to put the tration may profit from the mis-additional intelligence satellites fortune of Senator Joe Biden, into space to help verify the INF who had to go into hospital for

both of which revolve around trol issues, is no less interested futuristic weapons technology, in the constitutional questions compromises could be more diffi-surrounding treaty ratification

accept that such weapons were indeed banned by the treaty, has not resolved the question. Indeed,

If this is so, then some time

issues which could derail the ratification process in the Senate.

One of the issues arises out of reinterpret a treaty in a part of the senate in the senate it has claimed under the 1972 Anti-Ballistic Missile Treaty) to reinterpret a treaty in a part of the senate in the senate i tion has the right (which in effect dispute with Moscow about which many senators believe is that inspectors can and cannot not compatible with the represen-

chev signed during their Washington summit in December.

Failure to ratify the INF treaty, which calls for the abolition wurldwide of missiles with a White House. There is unhappi- apply to the ABM treaty as well,

On this question the Adminis

accord, an operation this week and will Here too, however, experts on not therefore be on hand to lead Capitol Hill argue that a compromise should not be too difficult to tion's position. Senator Sam Nurm, the most But on the other two issues, influential senator on arms con-

unlikely to result in significant movement towards the 50 per the committee stage in the Sentent cuts in long-range strategic ate, has tended to create the nuclear weapons that are currently at the top of the arms control agenda.

A Moscow summit without an arms control "success" will leave the nod, at least with a marms control "success" will leave the noscibility that the Senate floor, if not on the nod, at least with a marms control "success" will leave the noscibility that the Senate floor, if not on the nod, at least with a marms control "success" will leave the noscibility that the Senate floor, if not on the nod, at least with a marms control "success" will leave the noscibility that the Senate floor, if not on the nod, at least with a marms control "success" will leave the node of letters between Moscow and the node o Mr Reagan (and Vice-President the possibility that the Senate Washington on this issue, under hand any more than is already Bush, who is bidding to succeed might finally baulk at approving which Moscow appeared to the case on the question of what

strategic arms reductions are too complex for a president so close to the end of his term to be able to resolve, particularly at a time when there is so much uncertainty in the West about future military strategy and who should pay for the weapons needed to implement it.

Superpower peace pact for Angola hinted at by Cuba

By Michael Holman in London CUBA'S representative at this week's four-country talks about the war in Angola and indepen-dence for Namibia yesterday raised the prospect of an interna-tionally guaranteed regional

first time, agreed to meet again in the next few weeks. The US and South Africa have

withdrawn from Angola as a pre-condition of the implementation of a 1978 UN plan to bring independence to Namibia. Angola and could turn out that asymptoma. Cuba reluctantly accepted this tic patients are better treated by

Angola and the 15,000 in the north had been reinforced since renewed fighting began last October, but would not give the latest figures. Most observers put the current Cuban strength at 40,000. He also confirmed reports that Angola and Cuba had agreed in talks last March with Dr Chester

security conditions permitted. But the constructive tone of his comments, and the insights he offered into what could be dis-cussed at the next round of talks, sustained cautious hopes that a resolution of the complex regional dispute might be within

decade long deadlock.

Mr Valdes raised the possibility that the Soviet Union could be one of the guarantors of regional security, a suggestion that is seen in the context of Moscow's close involvement in the London meeting. Mr Anatoly Adamishin, the deputy Soviet foreign minister, held talks in London last ters with Dr Cooker who context ter, held talks in London last week with Dr Crocker, who spoke of "evolving" US-Soviet concern about southern African issues. Such a regional security guaran-tee would conceivably include non-aggression pacts between South Africa and Namibia and Appolla

Angola.
Other UN members could also play a role, he said, notably Britsin, Canada, France and West Germany, who, together with the US have made co-ordinated efforts to implement the UN plan

He dealt cautiously with the future role of Unita, the South African-backed rebels. The US is insistent that Dr Jonas Savimbi the Units leader, should have a Although Duracell has only half of Ralston's share of the overall US market, it enjoys a scale reorganisation after a slight edge in the fast-growing downturn in earnings in 1986 and alkaline battery sector, with Kohlberg Kravis said yesterday about 41 per cent in the US and that Duracell's operating income and angulans in 1987 was \$140m.

peace plan.

Mr Jorge Risquet Valdes, a
senior member of Cuba's politburo, hinted at a superpower pact
endorsed by the UN Security
Council, and proposed a verification process to ensure that Cuba

attended by the US, South Africa, Retrovi Angola and Cuba ended on Wednesday after officials reported progress. The parties, who had come together for the

Much of what Mr Valdes said during a 40-minute press confer-ence in London yesterday was not new. He disclosed that the 20,000 Cuban troops in southern Crocker, the US assistant secre-tory of state for Africa, to a total withdrawal over four years, replacing a vague commitment to end the Cuban presence when

Mr Valdes stressed the condiabout the problems this would not resolved the question. Indeed, create in Moscow. Some on Capital are predicting that a period of hrinksmanship lies period of hrinksmanship lies. The other unresolved question that he will be able to put the final touches to the INF treaty from Namihia and independent to the INF treaty. when he arrives.

Then the challenge facing the White House "spin control" artists will be how to gloss over the fact that the issues facing the superpowers on the question of strategic arms reductions are too

Hs declined to talk about details of what was discussed at the London talks. But answers to questions gave an inkling of behind-the-scenes negotiations which may help break the

THE LEX COLUMN

The high price of promise

stock market cannot take a long-term view should consider the following. Around half of Wellcome's markst value is attributable to its Aids drug, Retrovir. In the first half of the current year Retrovir contributed nothing to Wellcome's profits, and only £40m to sales. At yester-day's market value of £4bn, Wellcome is worth more than GEC. tion process to ensure that Cuba met a commitment to withdraw all its 40,000-strong force from Angola. Mr Valdes said that, if the political will existed on all sides, "there will be a settlement." He also spoke of his "moderate" optimism about the negotiations. He offered outside verification of Cuban withdrawal in order to prove "our good faith, seriousness and determination", but did not elaborate.

Two days of talks in London attended by the US, South Africa, Angola and Cuba ended on Zantac. Without Retrovir, Wellcome ranks as a slightly above average

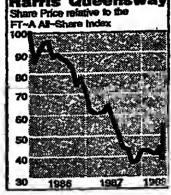
Anyone who believes that the

Then again, it could be worth wetnesday after torticals reported progress. The parties, who had come together for the first time, agreed to meet again in the next few weeks.

The US and South Africa have insisted that Cuban troops be about future use of the drug on account ment of the drug of the dr asymptomatic carriers of the virus, taken to outnumber Aids mmunomodulators such as Du Pont's Ampligen; or Retrovir could in time be supplanted entirely by a competing anti-viral, such as Bristol Myers' DDA. It follows that on a long view, no fundamental value can be assigned to Wellcome's shares at all. On the other hand, one can sympathise with the harassed fund manager who cannot risk being out of the stock entirely. The simple answer is probably to give it a neutral weighting in the fund. After all, it is not quite an all-or-nothing game; at worst the shares should only halve, and they might just double.

Hongkong Land

It may have taken over six months to get the forced sellers together with the keen buyer in the Hongkong Land affair, but it to sell his stake, while GUS's offer better appears to have been time well loyal talk yesterday seemed just thon would



have struck an agreement with something in it for everyone.
On the face of it, Jardine Matheson has more to be proud of it has ended up with a higger chunk of a high quality asset, purchased at a 23 per cent discount to Hongkong Land's fully diluted net asset value of \$11.50 diluted net asset value of \$11.50 per share — and with a long-term hands off agreement from the erstwhile predators thrown in to boot. But the syndicate bought out by Jardine has not wasted its efforts either: after doggedly averaging down the cost of its Hongkong Land stake by buying post-crash shares at around HK\$7 to match pre-crash holdings purchased at closer to HK\$1, it is probably little worse off if at all at the take-out price of HK\$8.95. The main casualty for the moment seems to be the Hang Seng index, which fell 2.4 per cent after yesterday's deal. Today could see another decline but any setback should be only tempo-

setback should be only tempo rary. The property market is touching new highs while the

Harris Queensway
Share Price relative to the
FT-A Al-Share Index

90

80

80

Wichael Abrahams of Crowther, or Ladbroke, are being half-heartedly suggested instead. As most retailers are too well aware of Harris's problems to be inter-Harris's problems to be interested, and in any case have enough worries at home in propested, and in any case have enough worries at home in proping up their own ratings, an outsider perhaps seems most likely. The prospects for Harris should the bid fall through also argue for cantion. To produce \$16m profits after baving indicated \$2m in October and \$5m a year ago demonstrates the extent of loss of control. It could be said that at last the company has produced a clean set of accounts which clearly states the worse, and that the new management is finally addressing the problems caused by rash and illipudged expansion. But as the record of the new managers is untested, and as the real surgery will take years rather than months, a failed bid might not be the last in the line of disappoint ments.

Despite Equiticorp's protesta-tions that it was a long-term owner of GPG, its own financial sures always seemed to suggest otherwise. The only real sur-prise is that it was the inland Revenue, rather than the Bank of England, which forced it to declare its true intentions. There is still an outside chance that the touching new highs while the index - 30 per cent of which is property related - is still a third below its pre-crash peak. On that basis, Hong Kong is looking cheap.

Harris Oncersway

The still an outside chance that the Revenue will reverse its decision, enabling the group-to meet the Stock Exchange deadline for an early flotation of the investment bank. But this seems unlikely, and for the umpteenth time in its history GPG's future is once seein up in the significant contents.

Sir Phil Harris' uncharacteristically lifeless account of how his company intends to climb out of its deep hole suggests he does not expect to implement that plan himself. The amnouncement of a predator paying touch shows the himself. The announcement of a predator paying much above the hid approach may in itself sug-current 80p share price when gest that he is in principle wiling groups such as Morgan Grenfell loyal talk yesterday seemed just tion would be for a strong indespent. Quite apart from the spent. Quite apart from the struggle between the struggle between the so-called "Chinese syndicate" of the struggle between the so-called "Chinese syndicate" of the struggle between the learnt to expect the worst from at least part of its stake. But so-called "Chinese syndicate" of the struggle between the learnt to expect the worst from at least part of its stake. But the solding the struggle some arm this might require some arm the struggle with the struggle some arm to be going through the motions, pendent shareholder to appear, and the struggle some struggle some struggle some arm to be going through the motions. The struggle some some struggle some st Jardine Matheson, the rivals 46p rise to 171p leaves the shares twisting by the authorities.

French exports improve

FRANCE produced its biggest trade surplus for 15 months in March, a sharp contrast with February's large deficit. Reuter reports from Paris. The trade balance swung to a FFr1.8bn (\$315m) surplus in

March from a FFr5.2bn deficit in February, mainly because of a sharp rise in industrial exports. The 10.5 per cent rise in indus-trial exports is good news for French business and workers. Farmers and processors exported FFr3.2hn more food and farm products than were imported, about the same as in February. Opinion polls are banned in the final week of the French presi-

to judge what effect the hostage releases and the trade figures might have on Sunday's vote.

Kraft sheds Duracell in \$1.8bn sale to managers and investors

BY JAMES BUCHAN IN NEW YORK

DURACELL, the world's leading so-called leveraged buy-outs manufacturer of alkaline hatteries for the consumer, is to be sold to its management and Wall Street investors in a deal worth

The company, which controls about one fifth of the highly competitive world battery market on annual sales of \$1.1bn, has been owned since 1980 by Kraft, the Midwestern food manufacturing group. But Kraft said yesterday that it wanted to concentrate wholly on its \$10bn-sales food

The purchaser is Kohlberg Kravis Roberts, the powerful Wall Street firm which has made a speciality of helping manag-ments bny their husinesses in

so-called leveraged buy-outs.

Mr Henry Kravis, one of the bought from Union Carbide for three founding partners of the \$1.4bm to 1986, is a separate busifirm, said yesterday: "Today's ness from British Ever Ready of agreement is the first step in the the UK, which is owned by Hancreation of a great new indepension. dent consumer products com-

Duracell, which reported net profits of \$53.9m last year, is No 2 cell business and its growth prosin the \$2bm US battery market pects. "But it's not often you can behind Eveready, which is owned by another big food group, Ralston Purma of St Louis.

The business and its growth prosing the pects and its growth prosing the pects and one that's growing," said Mr John McMillin, an analyst at Productive Market Peach. Although Duracell has only half of Raiston's share of the

Wall Street analysts yesterday said that Kohlberg Kravis was paying a steep price for the Dura-

dential Bache.

Paris may renew contacts with Iran

World Weather

cern that France had done a deal ing on a loan contracted with hostages were free, France could with the kidnappers or with Iran, Iran while the Shah was still in consider restoring diplomatic which is known to support them. power, to secure the release of relations with Iran, which were which is known to support them.

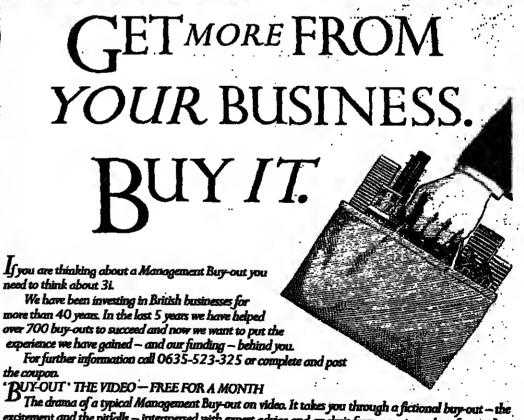
Yesterday, Iran said the hostages, release had been made possible by Tehran's intervention.

Mr Chirac, confirmed yesterday

Mr Ali Reza Moayyeri, Deputy that France was preparing to pay emphasised that, as far as the Prime Minister for Political back the rest of the loan. He said Affairs, told Tehran television that details of the final instal that had interceded on the ment still had to be settled, but in policy on terrorism and hos-

In London, Mrs Thatcher hostages' behalf for humanitar-tinat the loan would be repaid. tage-taking. "We will not pay ian reasons." There was widespread speculation that France might have agreed to repay \$330m outstand
There was widespread speculated by the proper sense of the word.

Mr Chirac said that now the said.



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SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Friday May 6 1988



Pilots offer to buy out **Allegis** for \$2.4bn

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فتشمل البداء

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ALLEGIS has received a take-over offer from the pilots of its United Airlines subsidiary, one of the largest US carriers, which would be by far the

US.

The pilots, led by Mr William Howard, who built Pied-mont Aviation into a leading regional arrium; are offering \$110 a share cash for Allegis. This would give it a \$2.37bm stock market valuation.

The pilots said their financial advisers, Chemical Bank and Salomon Brothers, were highly confident they could raise \$4.06bm to buy Allegis stock, refinance its debt and cover takeover costs.

cover takeover costs.

Mr Howard acknowledged,

in a letter to Mr. Stephen Welf, Allegis' chairman, that the bid could proceed only if provision for a labour agreement between the airline and its machinets united water will. between the airline and its machinists union were millified by a court action the pilots initiated last week.

If a hidder buys more than 30 per cent of Allegis, the union could reopen contract talks with the airline, lock in an 11 per cent annual pay rise, strike or take other steps to make it less attractive to new conners.

The pilots, who said they could save \$350m a year in Jabour costs, hope to interest the machinists in joining the binyont.

Following the fakeover, Allegis would be owned by one or more employes share ownership plans which, as Mr. Howard wrote to Mr. Wolf yesterday, offered tax benefits over other forms of takeover. Allegis has refused to negotiate with the refuse states they tiate with the pilots since they raised the buyout question a

The company said it would not comment until its board had reviewed the other.

Noranda Forest to invest C\$450m in Tasmanian venture

Normala will invest about C\$200m in equity in the Tasma-nian venture over the next two or three years for a 50 per cent stake, while the rest of its invest-ment will be financed through

Noranda's partner in the big Tasmania mill is North Broken Hill Holdings, the Australian resources group which already operates a large paper mill in Tasmania. The new mills due to

NORANDA FOREST, the pulp and pener arm of Canada's Noranda resources group, is investing about C450m (U\$3564m) in a new C3900m pulp mill in Tasmania with annual capacity of 440,000 tonnes yearly.

It is also buying a Scottish wafer-board plant for C\$80m. The plant has a capacity of 95,000 cu metres and Noranda is confident of the forest resources in Scotland and Northern England. The plant is owned by Highland Forest Products.

Noranda will invest about invest in foreign ventures, so exporting Canadian jobs.

However, the companies say pulp and paper have become a global industry and they can no longer supply foreign markets entirely from home. They say they are continuing to invest bilions of dollars in Canada and taxpayers' funds are not being used for foreign ventures.

Norenda Forest also amounced a rise in first-quarter start up in 1991 or 1992 and the net profits from \$42.2m or 49 bleeched pulp, which is intended cents a share to \$62.9m or 60 mainly for export, will be based cents, on revenues up from on fast-growing eucalyptus fibre. \$1.01bn to \$1.1bn.

Banco Safra wins contest for key stake in Aracruz

BY JOHN BARHAM IN SAO PAULO

key stake in Aracruz, the country's largest and most successful paper and pulp company.

Safra this week paid \$134m for 40 per cent over 1986. Its 1987 net

Aracruz. This puts the bank on \$83m.
an equal footing with BAT Industries' Brazilian subsidiary, Sonza Economic and Social Develop-Cruz, which also owns 26 per cent of Aracruz. The shareholders have agreed that the partners annot increase their stake above this level before the year 2008. The hotly-contested sale was

BANCO SAFRA, one of Brazil's large stake in an expanding and five biggest banking groups, has successful company operating in won a controversial contest for a one of Brazil's most dynamic sec-

26 per cent of the voting stock in profit also rose 40 per cent to

ment Bank sold the shares, reducing its stake in the com-pany to 15 per cent. Billerud of Sweden holds 5 per cent of the voting capital and other minority The hotly-contested sale was Brazilian shareholders have the possibly the last chance to buy a remaining voting stock.

KaiserTech faces two likely bid attempts

A TAKEOVER BATTLE for KaiserTech, the US aluminium manufacturer formerly known as Kaiser Aluminum, appears imminent. Yesterday the company eppointed an independent group of directors to consider offers to acquire the company and indicated that at least one offer was expected.

company and indicated that at least one offer was expected.
Simultaneously, the Maxiam Group, led by Mr Charles Hurwitz, the Houston investor — which currently owns or has options on about 31 per cent of the company's stock — said it "expects" to make a bid for the company although no final decision has been made.

A group of KaiserTech managers is expected to mount its own bid to acquire the com-pany through a leveraged buy-

After a delayed opening,

KatserTech shares rose from a Wednesday closing price of \$15½ to \$17½, which values the company at about \$800m.

KatserTech's move was seen as an attempt to fend off a takeover by Maxxam which bought its KaiserTech shares from Mr Alan Clore, company chairman and son of the late

against Mr Clore disputing his right to nominate several representatives of Maxxam to the company's board of directors.

Sir Charles Clore, and his cred-

Mr James S. Pasman, Kaiser-Tech president and chief execrech president and chief executive, said that given the uncertainty over the future direction of the company resulting from Mr Clore's sale of his stock to Maxxam, and the possibility of protracted litigation, "It makes sense to explore the possibility of a explore the possibility of a transaction which would offer all of the company's stockholders a fair price for their stock."

Guinness Peat Group to drop plans for demerger

London-based financial services London-based financial services group, has been forced to abandon plans for a demerger after being told by the Inland Revenue attract tax of £20m to £20m (£36m that it would no longer qualify to \$54m). However, the Revenue granted an exemption from The revenue roling, against which GPG yesterday said it

intended to appeal, is potentially a serious setback for Equiticorp of New Zealand which owns 61 per cent of the company. Equiticorp's chairman, Mr Allan Hawkins, is under pressure to realise part of his company's investment and reduce its high level of debt. In February, GPG announced plans to hreak the group into three parts, later modified to two parts, and seek separate listings for each of them on the Stock Exchange. It said this structure would enable each of its components - merchant banking,

The plan had deep-scated tax

insurance broking and fund man-

GUINNESS PEAT Group, the implications because GPG share- sell its 14 per cent stake in Guinholders would be given shares in the the newly listed companies in the form of dividends which could at based in Shannon, Ireland. attract tax of £20m to £30m (\$36m The sale, which is being handled Advance Corporation Tax after receiving assurances from Equiticorp that the demerger was part of a strategic restructuring of GPG and not a prehide to a par-

tial sale.

More recently, however, Equiticorp's management in Auchand
decided it would have to sell part of GPG in order to reduce the size of its assets and bring down its gearing. It informed the Revenue of this change of plan, whereupon the tax clearance was withdrawn last Wednesday.

Mr Geoffrey Bell, deputy executive GPG chairman, said yester-day the company would still go ahead with a reorganisation, but might now have to abandon plans for a separate listing.
In particular, GPG intends to

by Citicorp Investment Bank, is expected to realise at least \$170m after making provision for a \$22m tax liability. This would enable GPG to repay all its borrowings.

Under the revised GPG plan, Guinness Mahon, the merchant bank, will operate under its own holding company with e separate balance sheet, board and manage-ment, and be "the flagship of the group", Mr Bell said.

Unless the tax ruling is reversed - which Guinness Peat executives consider unlikely - Equiticorp may have to realise substantial losses on its investment, which it acquired in a bitter battle last year.
It bid 115p for its GPG shares;

Harris Queensway reveals bid approach as profits fall by 61%

home furnishings retailer, yester-day reported a 61.2% fall in preprofits from £43.4m to £16.8m exchaing property profits. How-ever, attention was drawn from the results - which were sharply lower than expected - by news that a third party had made an approach which might lead to a

The company's shares rose 48p to 171p, capitalising the group at £403m (\$723m).

Sir Phil Harris, Harris Queensway chairman and son of the company's founder, said the unsolicited approach had comewithin the past few days. It had been amounced because the board had a fiduciary duty to

Oreal Universal Stores, which owns 23.4 per cent of Harris Queensway, was ruled out as a bidder. However, observers argued that the stake

hostile hid unlikely to succeed.

The group's chains include the

Queensway furniture chain, Harris Carpets and Carpetland, Times Furnishing, Pound-stretcher, a discount variety chain, and Hamleys toy shop in London's Regent Street.

Alternatively the group's port-

HARRIS QUEENSWAY, the UK tell shareholders. He declined folio of retail sites - 8m sq ft of home furnishings retailer, yester- further comment. sales area - might attract bidders. Rumours of possible bidders
They could use the sites, particuquickly circulated, although analysts said no one company was sites, for other retail activites larly the 8m sq ft in out-of-town sites, for other retail activites such as do-it-yourself shops.

> argued that the stake, together £32m and £38m. In October it said with Sir Phil's personal holding the £32m figure would be made, of 16.5 per cent, would make a New management installed last year appears to have discovered "a number of very large and evil skeletons in the cupboards," said

one stockbroker. Mr Tony Shanagher, who became finance director in October last year, said yesterday: "We think we have identified all the

Rowntree to rationalise European operations

ROWNTREE, the UK chocolate company subject to a £2.1bm (\$3.92bm) takeover hid from the Swiss confectionery group Nestlé, is planning a major rationalisation of its manufacturing facilities in both the UK and continental Europe.

This could mean thousa of job losses and savings of up to £20m a year. The news is likely to prove embarrassing to Rowntree because it has yet to inform unions of its inten-tions, and since it has built up a groundswell of support of all shareholders on its repu-

tation as a caring employer. The disclosure came as Jacobs Suchard, the Swiss chocolate and coffee group, announced that it has taken its holding in Rowntree to 25.4 per cent. Nestlé said that it now owns 7.1 per cent. Both companies were buying in the market again yesterday. Stockbrokers' analysts have

had unofficial briefings from Rowntree directors confirming dramatic plans to cut production costs at the company's plants in both the UK and con-tinental Europe.

So far, the process of rationalisation has been limited to the closure of a factory in Edinburgh earlier this year, with the loss of 800 jobs, and a reduction in capacity at the company's plant in Norwich, where 300 jobs were lost four

months ago. The focus of this year's rationalisation was on the company's assortment busi-ness, which has been relocated to York. But Rowntree has wider ambitions affecting key brands such as Kit Kat, After Right and Smarties.

The plan is to dedicate each factory to the production of a single brand.

Rowntree's shares closed unchanged at 904p yesterday, 312p above the value of the Nestle offer if dividends are taken into account.

May 5, 1988

INTERIM PROFITS LOWER BUT BETTER PERFORMANCE EXPECTED IN SECOND HALF

Extracts from the unaudited consolidated results of Rand Mines Limited and its subsidiaries for the six months ended 31 March 1988.

	Six moni	ths ended	
	31 March 1988 Rm	31 March 1987 Rm	Change %
Turnover	386.1	389.7	- I
Profit before taxation	100.8	133.0	24
Profit attributable to shareholders	68.4	83.0	-18
Earnings per share	610c	740c	-18
Dividends per share	105c	105c	
1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	31 March 1988	30 September 1987	
Total assets (Rm)	2 141.3	1 839.7	
Net asset value per share (cents) Total liabilities to	8 175	11 585	
shareholders' funds	.74	.88	
Borrowings to shareholders' funds	.41	.49	
Current ratio	2.10	1.96	

As stated in the 1987 annual report, the Group has changed from the comprehensive to the partial basis of providing for deferred taxation. The above results were computed on the latter basis with the comparative figures having been restated.

- Witbank Colliery export results affected by increased rail tariffs and dollar exchange rate.
- Contributions from managed gold mines reduced by Harmony passing dividend payment.
- Interim dividend maintained.
- Improved performance expected during remainder of year, in all divisions.
- Development of new gold and platinum mines progressing well.

RAND MINES LIMITED

The Dividend Declaration





BREAKING NEW GROUND EVERY DAY.

New Issue This advertisement appears as a matter of record only

LKB Baden-Württemberg Finance N.V. Amsterdam, The Netherlands

DM 300,000,000 6% Deutsche Mark Bearer Bonds of 1988/1998

Guaranteed by Landeskreditbank Baden-Württemberg, Karlsruhe

Issue Price:

100 % %

Interest:

6% p.a., payable annually on May 5 May 5, 1998, at par

Repayment: Listing:

Düsseldorf, Frankfurt am Main and Stuttgart

Trinkaus & Burkhardt

Amro Handelsbank AG Industriebank von Japan (Deutschland)

Commerzbank Deutsche Bank Landeskreditbank Baden-Württemberg

Société Générale - Elsässische Bank & Co.

Dresdner Bank Samuel Montagu & Co.

J. P. Morgan GmbH

Aktiengesellschaft

Berliner Bank

Morgan Stanley GmbH

Schweizerischer Bankverein (Deutschland) AG

Banque Paribas Capital Markets GmbH

Bayerische Landesbank Girozentrale

The Nikko Securities Co.,

(Deutschland) GmbH

Baden-Württembergische Bank

Deutsch-Schweizerische Bank AG

Salomon Brothers AG

Aktiengesellaci

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Schweizerische Bankgesellschaft (Deutschiand) AG

Westdeutsche Genossenschafts-Zentralbank eG

Yamaichi International (Deutschland) GmbH

Badische Kommunale Landesbank Banca del Gottardo

Bank für Gemeinwirtschaft Citibank

S.A. & Co. (Deutschland) oHG **Gulf Investment Corporation** Den Danske Bank

Banque Nationale de Paris

B. Metzler seel. Sohn & Co.

Hamburgische Landesbank Hessische Landesbank Girozentrale -Girozentrale -

Girozentrale

Girozentrale Norddeutsche Landesbank M. M. Warburg-Brinckmann, Wirtz & Co.

Landesbank Stuttgart

NOTICE TO HOLDERS

GTE Finance N.V.

GTE

(Incorporated with Limited Liebility in the Netherlands Antilles)

U.S.\$75,000,000 Retractable Notes due 1997

NOTICE IS HEREBY GIVEN that pursuant to paragraph 3(b)(ii) of the Conditions of the above-described Notes (the "Notes"), GTE Finance N.V. ("the Company") has elected to change the interest rate in respect

The Interest rate in respect of the Notes for the three year period commencing 1st June, 1988, will be

The Holder of any Note may elect to have his Note redeemed by the Company on 1st June, 1988, at 100 percent of its principal amount, in accordance with the Conditions of the Notes. Such election shall be irrevocable and must be made by giving notice of such election in the prescribed form accompanied by such Note to any of the Paying Agents on or before 24th May, 1988. The prescribed form will be available at the offices of each of the Paying Agents set forth below:

Orion Royal Bank Limited, 71 Queen Victoria Street, London EC4V 4DE,

The Royal Bank of Canada (Beiglum) S.A., Rue de Ligne 1, B-1000 Bruxelles

The Royal Bank of Canada (France) S.A., 3 Rue Scribe,

The Royal Bank of Canada A.G., 6000 Frankfurt/Main 1 Federal Republic of Germany

The Royal Sank of Canada (Suisse). (Suisse), 6 Rue Didey, 1204 Geneva

First interstate Trus Company of New York, 2 Broadway, 29th Floor, New York, NY 10004

DATED: LONDON, 6th MAY, 1988 For and on behalf of GTE Finance N.V. by:



R ORION ROYAL BANK LIMITED

A member of The Royal Bank of Canada Group PRINCIPAL PAYING AGENT

Under the United States Interest and Dividend Tex Compliance Act of 1983, any payment made within the United States, including payments by trensfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognised as exempt recipients fall to provide the paying agent with an executed IRS Form W-8 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons. Those holders who are required to provide their correct texpayer identification on IRS Form W-9 and who fall to do so may also be subject to a penalty of U.S. \$50. Please, therefore, provide the appropriate certification when presenting securities for payment if payment within the United States is sought.

All these securities having been sold, this amouncement appears as a matter of record only.



European Investment Bank

£30,000,000 9½ per cent. Notes due 1994 Issue Price 101½ per cent.

Kleinwort Benson Limited

Baring Brothers & Co., Limited

BNP Capital Markets Limited

S.G. Warburg Securities

Chase Investment Bank

April 1988

WORLD SHIPPING & PORTS

The Financial Times proposes to publish this survey ou:

7th JUNE 1988

For a full editorial synopsis and advertisement details, please contact:

on 01-248 8000 ext 3365

or write to her at:

Bracken House 10 Cannon Street EC4P 4BY

FINANCIAL TIMES

US\$42,000,000 l in Series under a

Notice of Redemption

U.S.\$50,000,000 Guaranteed Floating Rate Notes due 1993

Saitama International (Hong Kong)

Limited Guaranteed as to payment of Principal and Interest by

The Saitama Bank, Ltd.

NOTICE IS HEREBY GIVEN that pursuant to Condition 4(b) of the Notes Saitama International (Hong Kong) Limited has elected to redeem on June 7th, 1988 (the "Redemption Date") all of its outstanding Guaranteed Floating Rate Notes Due 1993 (the "Notes") at a redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemption Date, interest on the Notes will cease to accrue.

The Notes should be presented and surrendered to the paying agents as shown on the Notes on the Redemption Date with all interest coupons traturing substraints to said date.

publications to service or the control of the detached and presented for payment in the usual manner.

By Citibank, N.A. (CSSI Dept.) London, Fiscal Agent CITIBANG

Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a production Loan and Credit Agressient dated 30th March, 1983, carry an interest Este of 72% per annua. The Issue Date of the above Series of Notes is 9th May, 1988, and the Matmity Date will be 9th November, 1988. The Euro-clear reference number for this Series is 82612 and the CEDKL reference number is 383904.

Manufacturers Hanover Limited

6th May, 1988

CHANGE OF NAME BALMORAL RESOURCES N.L.

is now registered as

MINING N.L.

Address: LGF 55 Macquarie Street, Sydney 2000, NSW Australia

Telephone: (61-2) 251 3010 Fax: (61-2) 251 2786 Telex: AA 75162 Stock Exchange Code: SDH

INTERNATIONAL COMPANIES AND FINANCE

Jardine group lifts stake in Hongkong Land to 33%

developer, paying HK\$1.83an 1987.

(US\$24.8m) to acquire a further The deal raises the JSH stake a per cent stake from a consortium of local companies, writes tively eliminates any possibility David Dodwell in Hong Kong.

The purchase by Jardine Strat. Rumours that an assault is being tegic Holdings (JSH) is likely to mounted have been endemic in

control of Hongkong Land, the mitted to Hong Kong despite territory's premier property political uncertainties ahead of

THE JARDINE trading and be seen as concrete evidence of Hong Kong's gossip-ridden stock Hongkong Land has been seen investment group of Hong Kong the group's often-challenged market for several years and in as a likely hid target since 1983, yesterday moved to bolster its claim that it remains firmly com-

Hong Kong's gussip-ridden stock market for several years and in recent months have been a potent stimulant.

JSH bought the 8 per cent stake from Cheung Kong, New World Development and Header son Land — three smaller local property companies — and China international Trust and investment Corporation (Citic), a main-land financial group.

Hongkong Land has been seen A serious assault on the company, shared in September last year, was stynied by the world stock market cosh such meants within which was is a likely hid target since 1983, pany, shared in September last year, was stynied by the world stock market collipse in 9cto-ber. This assault was is d by the consortium headed by Mr Li Kashing of Cheung Kong, and ruptcy. Only in the past two withdrawal of these gradators after a six-month period during which they could not have exited without salistantial book losses.

Deal could cast pall over the stock market

group of prominent local busi-nessmen was manoeuvring to wrest control of Hongkong Land from the Jardine group — was laid to rest yesterday when Jar-dine Strategic Holdings (JSH) three of which are index constitureached agreement stake in HK Land.

stake in HK Land.

It also ends the long-standing since they have risen by more ambition Mr Li Kashing is alleged to have had of absorbing the Land group into Cheung Kong, his flagship property group, to make him the undisputed giant of Hong Kong's property are expected to focus today on the possibility of an increase in the local prime lending rate over

erty sector. Mr Brian Powers, the New York merchant banker who esumed the mantle of Jardine "taipan" just six weeks ago, said:
"I think this will finally kill the claim that Land is up for sale." dding: "It also provides hard evidence of what we have been always been saying - that we have no intention of moving out

of Hong Kong."
The deal is nevertheless likely to cast a pall over the local stock market, since rumours of an fuelled share prices in recent peking-backed investment group.

weeks. The Hang Seng index Most of their stake had been slipped by almost 2.5 per cent accumulated in October last year, yesterday, ending the day down when a hostile takeover was generally being prepared against predators controlled a stake as

ent to boost its ents. A major fall in Land's shares can be expected today,

second, shell-shocked traders are expected to focus today on the possibility of an increase in the local prime leading rate over the weekend. A surge of bear selling could easily depress the index by a further 100 points, analysis

It is understood that the predato understood that the preda-tory group led by Mr Li approached JSH on Wednesday evening, inviting Jardine to buy the majority of its combined stake. With Mr Li were Mr Cheng Yutong and Mr Lee Shankee — the respective heads of New World Development and Header. World Development and Hender-son Land, two other local property companies - and Citic, the Peking-backed investment group.

HONG KONG'S most cherished stockbrokers were confident that Land. Catastrophically for the stock market rumour – that a the market will consolidate at group of prominent local busi- this level.

Land. Catastrophically for the predatory group, which then included more than the four parties dealing with JSH yesterday, the assault was planned for the weekend ahead of Black Monday. Having built up stakes at prices ranging to a peak of HK\$11.70 a share and having discussed with JSH an offer price of HK\$16.50 a cheere the same price of HK\$16.50 a

share, the crash swept Land's share price down to HK\$7. Interest in a hid evaporated as their own corporate survival through the collapse suddenly become their exclusive preoccupation and as an assault at pre-crash prices was inconceivable.

It appears, therefore, that the past six months have involved, for the predatory group, complex psychological warfare. With little more than 8 per cent of Land under their control, they knew a kid was cut of the question, but hid was out of the question, but they also knew that, once the investing public realised this, the chance of emerging without pun-

ishing losses was negligible.
Urgency has been added by the fact that the predators have major investment plans of their own in hand and were uncom-

large as 20 per cent — have group where Jardine cannot have talked Land's share price up from been confident of retaining cona post-crash low of HK\$5.60 to trol at any previous point during Wednesday's close of HK\$8.90. the past five years. The timing of an approach to JSH was critical, since investors would at some stage realise a bid

Some analysts were arguing yesterday that Jardine's new tai-pan had paid over the odds for the stake. It equates to a price/ earnings ratio of just over 20 -well above the market average of 12.7 and even further adulf from the rest of the property sector.

The price is nevertheless com-fortably inside Land's book asset value of about HK\$9.55 a share and takes little account of the blue chip quality of Land's prop-erty portfolio.

"Land generates the highest quality earnings that you can possibly have," said Mr Powers. possibly have," said Mr Powers.
Since he was snubbing an offer of HK\$16.50 a share in October last year on the grounds that it did not do justice to Land's true value, he is hardly likely to think of HK\$2.95 a shere as a high price to pay for secure control of a leagues allow a smile to show.

It is a reflection of how much the ball was in his court on Wednesday night that he won agreement from the predator agreement from the predator companies that they would not price agreed yesterday has for the next seven years sequire anything except a "nominal stake" in Land or any other listed companies in the Jardine Mathematical stakes and the sequire of the predator of the next seven years are not the stakes of the product of the predator of

son group. JSH will use bank loans to fund the purchase but is unlikely to be stretched by the deal. Even when the recent increase in its holding in the Mandarin Oriental Hotels group is taken into account total debt amounts to about HKSBm. With shareholders' funds of more than HK\$10km, the group is less than 30 per cent

It appears, therefore, that the Jardine group, after a five-year struggle to restore itself to corporate health and to retain control of Hongkong Land, has had the last laugh. However, as the stock

Provisions push Saudi bank into red

By Gordon Cramb

SAUDI INTERNATIONAL Ban the London consortium bank half-owned by the Saudi Arabia Government, fell into a net loss of £35m (\$65.3m) last year after boosting provisions and selling to its shareholders the bulk of its problem Third World loans.

The result, which compares with a £10.2m net profit in 1986, includes a £31m write-off on disposing of the unspecified amount of problem loans primarily to

Latin America.
The sale effected at the end of December left the bank with loans outstanding of £591m. This ras more than halved from was more than haived from £1.21bn a year earlier, but a sub-stantial part of this shrinkage was attributed by Saudi Interna-tional officials yesterday to exchange rate movements, repayments and "quite a lot of pre-pay-

Loan loss provisions were raised by £25m to stand at £49m. Net interest income fell 5.9 per cent to £30.5m and non-interest income 38 per cent to £9.4m.

Shareholders, which took up the debt in proportion to their stakes in Saudi International. had earlier in the year committed £50m in fresh funds to the bank. Mr Peter de Roos, chief executive, said yesterday £27.5m of this had been taken as a capital injec-tion "with the balance on call should we need it."

Total assets fell during the year to \$2.35bn from \$3.23bn. Twenty per cent of the bank is owned by Morgan Guaranty of the US, which supplies the man-

tighter credit controls AFCOL, the furniture manufacthat the new credit controls turer controlled by South African could result in a recession for the Breweries, warned yesterday of a industry similar to that of 1984

Afcol outlook clouded by

possible slackening in consumer when sharply higher interest spending as a result of tighter rates cut spending on durables. credit controls and higher intercredit controls and higher inter-est rates introduced by the Pre-sion is avoided and socio-political

rom R388m as lower interest rates and improved consumer confidence lifted spending on . Net earnings rose to 144.8 cents durables. Pre-tax profit was a share from 100.8 cents and the R36.9m against R17.7m. dividend has been increased to

The directors are concerned 725 cents from 50 cents.

IMPROVED DEMAND and higher recovered with the recent rentals for central city office accommodation increased profits at Anglo American Properties (Amaprop), one of South Africa's largest property compenies.

when sharply higher interest

toria Government this week.

In its latest year to March, turnover rose to R510m (\$231.8m) from R388m as lower interest year.

Sion is avoided and socio-political and industrial relations environments remain the same, profits could increase in the current year.

Amaprop increases profits

largest property companies.

Pre-tax profits rose to R29.4m
(\$13.4m) in the year to March from R26.1m. Demand for rented commercial property had been weak for some years but has

BY OUR JOHANNESBURG CORRESPONDENT

PACIFIC BASIN FUND

The Board of Directors of Pacific Basin Management Company S.A., in their meeting held on 26th February 1988, have considered with the Custodian that, because of the contracted size of the Fund and because the fixed recurring expenses have become increasingly important to comparison to the current income, it is in the best interests of the shareholders and the managers alike to terminate the operations of the Fund and proceed with its liquidation.

In accordance with Article 17 of the Management Regulations, issues and redemptions of shares and the calculation of the net asset value have been suspended as from this date.

The Management Company, as liquidator of the Fund, has appointed Price Waterhouse to assist it in the liquidation of the Fund. It is expected to reindurse to the remaining shareholders the corresponding net asset value per share on or before 31st May 1988 but no assurance can be given that this date will be respected.

Shares should be presented to the Paying Agent, Banque Paribas (Luxembourg) S.A. At the close of liquidation any outstanding amounts will be deposited with the Caisse des Consignations in Luxembourg on

All accounting records and legal documents relating to the Fund will remain at the registered office of the Fund, 10A Boulevard Royal, Luxemborg.

29th February 1988

On behalf of the Board J. Pierson

Bank America Corporation Corporation

U.S. \$400,000,000 Floating Rate Subordinated Capital Notes Due 1997 Holders of Notes of the above issue are hereby notified that for the final Interest Sub-period from 9th May, 1988 to 7th June, 1988 the following will apply:

1. Interest Payment Date: 7th June, 1988 Rate of Interest for Sub-period: 71/2% per annum

for Sub-period: Total interest Amount

Interest Amount payable

per US\$50,000 nominal

per US\$50,000 nominal

US\$299.57

The following Interest Sub-period will be from 7th June, 1988 to 7th July, 1988.

Bank of America International Limited

on Friday, 27th May, 1988 at: Maison de la Chimie 28 bis, rue Saint-Dominique,

The Annual General Meeting and an

Extraordinary General Meeting of Lafarge Coppée

is to be held at 5.00 p.m.

of The Stock Exchange

LAFARGE COPPEE

SOCIETE ANONYME

75007 Paris Copies of the notice of Annual General Meeting, Extraordinary General Meeting, the proxy card and the annual report and accounts for the year ended 31st December, 1987 may be obtained, up to and including Friday, 27th May, 1988 from:

PM.

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

6th May, 1988

WORLD WIDE GROWTH FUND

Notice to Shareholders

The Board of Directors of World Wide Growth Management Company S.A., in their meeting held on 30th March 1988, have considered with the Depositary that, because of the contracted size of the Fund and because the fixed recurring expenses have become increasingly important in comparison to the current income, it is in the best interests of the shareholders and the managers alike to terminate the operations of the Fund and proceed with its liquidation.

In accordance with Article 19 of the Management Regulations, issues and redemptions of shares and the calculation of the net asset value have been suspended as from this date.

It is expected to reimburse to the remaining shareholders the corresponding net asset value per share on 30th June 1988, but no assurance can be given that this date will be respected.

Shares should be presented to the paying agent, Banque Parihas (Luxembourg) S.A. At the close of liquidation any outstanding amounts will be deposited with the Caisse des Consignations in Luxembourg on behalf of the beneficiaries. All accounting records and legal documents relating to the Fund will remain at the registered office of the Fund, 10A, Boulevard Royal, Luxembourg.

31st March 1988

On behalf of the Board J. Pierson General Manager



U.S. \$75,000,000

Southeast Banking Corporation
(Incorporated in Florida, U.S.A.)

Floating Rate Subordinated Capital Notes Due 1997

For the six months 6th May, 1988 to 7th November, 1988 the Notes will carry an. interest rate of 711/16 per cent. per annum. Interest due on 7th November, 1988 will amount to U.S. \$395.05 per U.S. \$10,000 Note.

Morgan Guaranty Trust Company of New York

Saudi Oil Minister, ran into this

ued them at more than its indus-

trial assets.

Lawyers have found ways

round the real estate barrier. The best-known is to use a foreigner

domiciled in Switzerland and

holding a so-called C permit of

residence. A foreigner qualifies for a C permit after five to 10

years' residence, according to nationality. It allows him or her to own real estate.

In contrast to, say, French law, Swiss federal law is liberal in

that it has no bureaucratic con-trols on foreigners acquiring

takeover of Hermes, the type-

writer company, by Olivetti of Italy is an example but friendly foreign acquisitions of listed

Swiss companies are infrequent.

A proposal amending the commercial code is now before the

finance committee of the upper chamber of parliament. It is less than radical. It stipulates that

boards must invoke "just" rea

sons for refusing to register shares but it also specifies that

ownership by foreigners or com-

panies in foreign majority control

is sufficient reason.

Some Swiss, however, are querying whether the very special

corporate culture in which they

trade on their stock exchanges is compatible with international

developments or even capable of safeguarding Swiss interests. For Mr Charles Poncet, a

marketanie it they want to con-tinue raising equity capital.

But the reformists are looking for outside help to break down the very strong conservative resistance to change in the

Vorort, the employers' associa-

THE ALARM bells started ring to explain why. Only registered in Switzerland Originally passed ing in Swiss boardrooms this shareholders can vote at common to meet public reaction against week as directors began to realise pany meetings. week as directors began to realise pany meetings.

This week the Sandoz and it has the effect of preventing a foreign buying of homes, it has the effect of preventing a Suchard's aggressive buying of from shareholders to limit to 2 company which has more than shares in the UK confectionery per cent the maximum stake in the UK confectionery per cent the maximum stake in the former capitals that can be shall be used to be used pected long-term repercussions

for Swiss corporate practices.
Embarrassingly for the Swiss companies, their takeover tactics in the UK have coincided with moves by two big Swiss chemical groups, Ciba-Geigy and Sandoz, to reinforce their immunity to takeovers by restricting shareholders' rights.
This coincidence, highlighting

the glaring contradiction between Swiss companies' behav-iour abroad and at home, has provoked hostile reactions in London. It has also evoked mixed feelings within Switzerland.
While many Swiss industrialists are angry at having a foreign spotlight turned on the protec-tion they enjoy against take-

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duct when Berne tries to negotiate in 1993 on Swiss association with the European single market, also issue shares in different catagories varying in nominal value would be named. Domestically, the issue is still too sensitive. The Swiss commercial code has been under revision for 20 years during many can issue bearer abares of Spring many can issue shares in different categories varying in nominal value
statement to the spring many can issue shares in different categories varying in nominal value
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from Nazi Germany, although the need to shore up businesses debilitated by the depression may at the time have been an equally powerful motive.

Switzerland's corporate does not precifically anti-foreign, it does not prohibit foreigners from higher than the same and the same and the same are the same and the same are the same ar

companies write their statutes. the shares. Each has to keep a shareholders. However, defence against for register but the board can refuse eign raiders is reinforced by the to enter a shareholder for any Lex-Friedrich, the law limiting reciprocity applies also to stock reason it sees it, without having, foreigners right to buy property market and corporate practices.

registered in the name of a single

shareholder.

If a share is sold, the buyer has
to apply for registration in his
own-name. If his application is
watchmaker's buildings that valto apply for registration in his own-name. If his application is

William Dullforce on the pressures for changes to the takeover laws in Switzerland

rejected, he will receive his dividends but will not be able to vote. The most dramatic instance ists are angry at having a foreign vote. The most dramatic instance spotlight turned on the protection they enjoy against take-overs, younger bankers and businessmen hope that international attention will help to promote changes.

"We should be grateful to Sandoz and Ciba-Geigy," one Zurich banker said. "Their anachronistic banker said. "Their anachronistic board refuses to enter his shares on the register.

The flexibility of the bid defeates available to Swiss com-

Perhaps the conservatives will defences available to Swiss comstart to understand that the panies was recently demon-swiss stock exchanges can no strated by Snizer, the engineer-longer afford to tolerate such ing group, when it warded off a practices."

The Nestle raid on Rowniree Lugano lawyer, and his associ-has given the European Commis-tics by lowering from 4,000 to sion the opportunity to press for 1,000, or 0.5 per cant of the capi-changes in Swiss corporate con-tal, the maximum holding it would enter on its register.

been under revision for 20 years, par of SFr1,000 or any multiple of during which industry and busi-SFr100 each with one vote. The ness have doggedly resisted any participation certificates which fundamental adjustments.

Swiss companies issued en masse fundamental adjustments.

The last revision dates back to before the October crash to tap 1936, when Swiss companies had to be armoured against takeovers quently had no voting rights.

defence system is in essence vary huying registered shares. There simple, it works against domestic is simply no point in foreigners raiders as well as foreign. The buying them, if they know that code places few limits on how the companies will not register

Leu in merger talks with **BZ** Bank

By William Dullforce

BANK LEU, Switzerland's old-est and fifth largest bank, is negotiating a merger with BZ Bank Zurich, one of the young-est and most innovative.

Talks focus on setting up a holding company, which would give the joint venture a corporate structure new to Swiss banking. Shareholders of the two banks would be invited to swap their stock for shares in the new company.

Zurich Insurance, the leading Swiss primary insurance group and a major shareholder in Bank Leu, is understood to be backing the merger and to be taking an active part in the

The initiative appears to be and the minimize appears to be part of the strategy of Mr Kurt Schiltknecht, the new chairman, to restore Bank Leu's image, recently clouded by its part in a buyback share deal during the Guinness takeover of Distillers in the UK and its Swiss concerns, except in the case of air and sea transport
Foreign bids have to be launched in agreement with the board and management. The earlier involvement in the Dennis Levine insider trading case in the US.

BZ Bank, established three years ago by Mr Martin Ebner, trading, investment advice, and new issues business. In 1986, it pioneered covered war-rants on the registered shares of blue-chip Swiss companies and more recently launched Switzerland's first stock-index options contract.

Mr Ebner, who holds 41 per cent of the BZ Bank stock, which is not listed on the Swiss stock exchanges, said both banks would retain their independence under the holding company structure.

Bank Leu had total assets of Geneva lawyer specialising in corporate work, the system origi-nally intended to prevent Nazi takeovers is now "perpetuating SFr15.3bn (\$11bn) at the end of March, while BZ Bank's assets were SFr138m at end-Decem ber. Bank Leu reported net incompetent management." Even the big banks have started to warn companies to take care that their registered shares remain marketable if they want to continue raising conity capital profits of SFr61.1m for 1987, against SFr15.5m at BZ Bank.

Davignon offers olive branch to De Benedetti

By Alan Friedman In Milan

VISCOUNT ETIENNE Davignon, a director of Sociéte Gén-érale de Belgique, has offered an olive branch to Mr Carlo De Benedetti, the Italian entrepreneur whose struggle for the control of La Générale has become a European corporate.

Speaking in Turin, where be was attending a European Round Table meeting along with Mr De Benedetti, Viscount Davignon said that "objectively it is in the interest of averyone to reach an accord."

He added that a compromise olution between Mr De Benedetti and Suez, the French group that leads a shareholders' coalition with majority control of La Générale, "requires a bit of time, but the difficulties concern modalities and details."

In Milan, an aide to Mr De Benedetti said there had been no specific talks with Viscount Davignon, but that "relations are now more relaxed.

BMW holds dividend

By David Goodhart lo Bonn BMW, THE West German luxury car maker, yesterday announced an unchanged 1987 dividend of DM12.50 a share,

following an 11 per cent increase in parent company net income.
The increase in profit, from DM337.5m to DM375m (\$223m), is almost exactly in line with the 11 per cent rise in group turnover - to DM19.5bn - announced earlier this year. At that time Mr Eberhard von Kuenheim, chairman, warned that the outlook for 1988 remained

uncertain. The dividend cost of DM187.5m is up from DM168.75m in 1986, reflecting an increase in capital.

Brasilvest S.A.

Net asset value as of 29th April, 1988 per CZ Share: 171,063.71 per Depositary Share: US\$11,486.60

per Depositary Share: (Second Series) US\$10,786.62

per Depositary Share: (Third Series) USS9, 179.54 per Depositary Share: (Fourth Series) US\$8,575.64

NOTICE OF REDEMPTION

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

To the Holders of Debentures U.S. \$40,000,000 1434% Debentures due June 15, 1997 Authorized by By-law Number 75 of 1982 Amount Redeemable June 15, 1988 - U.S. \$2,622,000

NOTICE IS HEREBY GIVEN that The Regional Municipality of Ottawa-Carleton will redeem on June 15, 1988 Debentures bearing the numbers listed below at 100% of the principal amount of each Debenture plus accrued interest to the redemption date.

U.S. \$1,000 COUPON BEARING DEBENTURES

U.S. \$1,000 COUPON BRARING DEBENTURES

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The above Debentures will be paid upon surrender of the Debentures, accompanied by all interest coupons appertaining thereto maturing after June 15, 1988, at The Bank of Nova Scotia Trust Company of New York, New York City, N.Y., U.S.A., or at the option of the holder, at the main office of The Bank of Nova Scotia, 33 Finsbury Square, London, England, EC2A 1BB, tha Kredietbank S.A. Luxembourgeoise in Luxembourg and the Morgan Guaranty Trust Company of New York in Brussels,

The interest coupons maturing on June 15, 1988 should be detached from the Debentures and cashed before presentation. If such Debentures are presented for payment without all interest coupons appertaining thereto which mature after June 15, 1988, the amount of the missing unmatured coupons will be deducted from the principal amount due for payment. All interest on the Debentures so redeemed shall cease to accrue from and after June 15, 1988.

The following Debentures previously redeemed on the dates indicated have not been presented for payment.

00006

June 15, 1987 09917

37543

37582

37587

Dated this 6th day of May 1988.

J.C. LeBelle, Treasurer

"Poison pill' defence for UCB

BY TIM DICKSON IN BRUSSELS

UCB, THE pharmaceuticals, consequence of the new vulnera-chemicals and films group, yes-terday became the latest Belgian company to amounce details of a precautionary "poison pill" ucb said yesterday that it was company to amounce details of a precautionary "poison pill"

precautionary "polson pill"

defence.

The move follows similar actions by Tractebel, the energy concern, and GB-Inno-BM, the supermarket group which had been subject to frenzied takeover speculation, and can be seen as a "20,000 warrants (convertible into d'Obourg, w trying "to protect itself against amy attempt at external interference in its management."

Last mon pre-tax pre-

a major and friendly shareholder in UCB. Last month, UCB announced pre-tax profits for 1987 of BFr1.78bn – broadly in line with the previous year – on sales of



Mercantile & General Reinsurance

"A very satisfactory year's trading."

Salient points from the Annual Report 1987

* Group profit for the year after taxation rose to £50.6 million.

* At constant rates of exchange General premium income increased by 7%, Life annual premiums by 16% and Continuous Disability premiums

★ Group net premium income for 1987 was £603.4 million.

& General results are now showing a much improved position with a further increase in our operating

Angles of the Street Contracts

Life results are the most successful in our history. However because of uncertainties in regard to AIDS the post-tax transfers from our Long-Term Funds have been maintained at a similar level to those

* Our solvency ratio at the end of the year was 67%. Total Shareholders' Funds at that date were £167.7

* Total Group assets now exceed £1850

Copies of the Annual Report 1987, containing the Chairman's Statement in full, and a Review of Operations for the year, can be obtained from the Secretary.

The Mercantile and General Reinsurance Company plc

Head Office: Moorfields House, Moorfields, London EC2Y 9AL Underwriting the future – worldwide -

The Mercantile and General Group of companies provides a worldwide reinstrance service in all classes of business through its Hend Office in the United Kingdom and subsidiary companies in Anstralia, Canada, South Africa and USA.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Drexel halts

in-house

dealings

By Roderick Oram in New York

many years.

junk bond

DREXEL BURNHAM Lambert has stopped its employees buy-ing significant portions of

Stephen Fidler talks to Don Roth, the World Bank's treasurer

'The Euromarket is alive and well'

tional borrowing programme. Mr Don Roth, who took over ted to the Euromarket for the last year as treasurer at the long haul

only as a borrower, but as an investor. The World Bank is not only the biggest single user of the Eurobond market — its overall borrowing programme for the year ending in June totals \$11bn but it also manages a portfolio of \$20bn in liquid assets.

He has just completed a tour of Europe and yesterday in London be was outlining his views, first at a conference organis Euromoney magazine and later to the Financial Times.

The Euromarket is alive and well. Those who predicted its death did so prematurely," he says. Indeed, apart from the sharp drop that resulted in bond right he want so for as to yields, he went so far as to describe the October stock market collapse as "a non-event" for the Eurobond market.

The basis for his views is the detailed monitoring of the sec-ondary market that the World Bank carries out on all its issues. During the last year, Europe has remained the most competitive market for the bank's issues in dollars for maturities up to 10 years. Only for a period in September and October, when interest rates were ratcheting up, did the US market provide a competitive source of dollar-denominated

least for the top-quality issues in which the bank deals, he has seen no evidence of any local state of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of capital flows, and pessimism was widespread because of the top-quality issues in the pattern of the top-quality issues in the top-quality issues in the pattern of the top-quality issues in the top-quality issues in the top-quality issues in the top-quality issues in the pattern of the liquidity in the Eurobond maret, despite the exit of a number of firms from the business. "The 151st firm adds little in the way of liquidity to the market, it's the

BY SARA WEBB IN STOCKHOLM

which is a subsidiary of Interna-tional Paper, one of the largest

US forestry groups.

est pulp and paper concern, has and strengthen its position in the signed a letter of intent to sell off European market by taking over

its crude tall oil operations to the production at Stora's Bergvik Arizona Chemical Company, which is a subsidiary of Interna-

Arizona Chemical, which pulp production and is used for refines resins and fatty acids, the production of various chemisaid it wanted to acquire local cals including paints.

ON BEHALF OF

COMMUNITY HOSPITALS PLC

TO ACQUIRE

WEST YORKSHIRE

INDEPENDENT

HOSPITAL PLC

AN OPTIMISTIC prognosis for the Eurobond market has been outlined by the man in charge of the World Bank's giant international horrowing programme.

That said, the departure of the paralysis of the floating-rate extraordinary amount of additional flowing the world in the paralysis of the floating-rate extraordinary amount of additional flowing the market has reinforced the intention of the bank to deal only with those between which are compared. those houses which are commit-

Mr Roth's assessment in the

Don Roth: optimistic

market's troubles in 1978-74, when volume dropped by 51 per cent over a two-year period, and in 1978, when it fell by 25 per

All were periods of great currency uncertainty, deregulation was under way in important capital markets, houses were pulling out of the market, hig changes

Important differences were the rise in the role of non-dollar Eurobonds, which for the first time in 1987 accounted for more

capacity of about 120,000 tons for

the fractionation of crude tall oil,

which is a by-product of sulphate

None of this, he says, leads to the conclusion that there is a structural change in the markets. This view would be born out by the surge in new issue volume in the first quarter. As in the previous difficult periods, the market has reacted to volatility in currencies, interest rates and changing capital flows.

taking in new issue markets in

Other broad conclusions are

dollar strengthens, it will continue to be important.

The pace of financial innovation has slowed. "A gentrification of the Euromarkets has occurred as gaudy, frilly products have left

the scene," he says.

• The Euromarket's best friend The market's worst enemy is intermediaries to cannibalise \$75bn which became effective last themselves." Issuers and interme-

(\$51m) and has shown losses of SKr10-20m over the last two

years. About 70 per cent of pro-duction is exported, chiefly has entered a joint venture to

within Europe.

Mr Ingvar Petersson, executive vice president of Stora, said that Bergvik Kemi needed to change its product mix to one with a higher added value, and that Ari
(37m).

SIREX EUROPE BV,

NETHERLANDS

PRIVATE PLACING

ARRANGED BY GRANVILLE

achieve a cost of funds over five years of 3.3 per cent.
Asked about the Swiss market

Mr Roth said that the bank has made some 200 issues since its first issue there in the early 1950s. While there are some rigid ities in the secondary market, the bank has reduced its presence in There has, however, been over the past year "a scaling down of enthusiasm, of aggressive riskfrancs still constitute 20 per cent of post-swap new borrowings, he

Japan is also critical to the The Euromarket is doing fine, and if perceptions of dollar stability improve, dollar issues will grow in volume. wine non-dollar sector of the primary market is now a developed market, equivalent to \$84m in new issues in 1987. Even if the dollar strengthens if well and the first market. Some market estimates suggest that up to half of all World Bank paper could be in the hands of Japanese investors.

Mr Roth said he is maked. change the bank's borrowing strategy much from that adopted by his long-serving predecessor, Mr Eugene Rotherg, The institution's rules insist on

very conservative accounting which will not change. The bank's Triple A credit rating conremains government regulation in domestic capital markets. over-competition, "which causes the general capital increase of

rectly and time them properly.

The next financial year's borrowing programme can be expected, therefore, to be somewhat market professionals is 32, and they have not experienced difficult markets before. This may explain some of the gloom which pervades the international capital markets these days.

Currency swaps are the single most important financial imnova-The next financial year's bor-

accounts.*
Drexel, which has strongly maintained that the trading practice was legal, said last week it will be making submis-Stora to sell off crude tall oil operations to US group sions to the Securities and Exchange Commission on the adequacy of the present laws. STORA of Sweden, Europe's largproduction facilities in Europe

The subsidiary has an annual zona Chemical would be prepared turnover of about SKr300m to use its technology and existing

after the public offerings.
In a message to its employ-In a message to its employ-ees, Drexel said it was "con-

cerned about public percep-tions and accordingly, to avoid any appearance of possible unfairness, henceforth new public issues of debt securities

will not be purchased by

employees or employee-related

Dutch central bank acts to curb inflation

THE DUTCH central bank has announced two new instruments to strengthen control over the capital and money markets in an effort to keep a

By Laura Raun in Amsterdam

tight lid on inflation.

Open market transactions in the capital market will be carried out for the first time through a new, Fl 3hn portfolio of Dutch government bonds next two years. This "market-oriented" approach to control-ling monetary policy would add and subtract liquidity much like the US Federal Reserve's purchases and sales of Treasury notes.

A new cash reserve system will be introduced on May 19 to increase control over the money market. Banks will be required to hold a certain amount of funds at the central bank, on which they will receive interest, with the amount of funds fluctuating according to market condi-

De Nederlandsche Bank, the Dutch central bank, first signailed its intentions to impose new measures last October, It is concerned that its grip on monetary policy — notably money supply — has slipped since deregulation of the Dutch capital markets in 1886 and amid the continuing strength of the guilder.

The portfolio of Dutch gov-rument bonds will be created by buying them at the regular oy buying them at the regular auctions by the Finance Minis-try. The next one is on Tues-day, when a 6 per cent, six-year bond will be issued. To avoid inflationary pres-sures from the portfolio, the Electron Ministry will stop ref-

Finance Ministry will stop refi-nancing Treasury paper. Under the cash reserve system, banks will be required to maintain with the central bank a certain percentage of their guaranteed assets. The percentage will be adjusted monthly and can be as low as zero in squeezed money mar-

J O Hambro in management fund venture By Our Euromarkets Staff

TWO SPECIALIST UK investment management companies, J.O. Hambro and GNI, have joined forces in a new company to specialise in the management of funds investing in government securities.

The joint venture, GH Asset nent, will be the first such company to manage international assets in maturi-ties ranging from overnight to the longest-dated government securities, Mr James Hambro, chairman said.

The managing director of the new company is Mr Richard Freeman, previously managing director of Union Dis-count Asset Management.

Japan's Golden Week robs markets of lustre

junk bond issues underwritten by the firm before the securi-Dollar bond prices remained burgeoning money supply and locked in a tight trading range, unmoved by the details of next liquidity is also good, boosted by week's US Treasury refunding, which were broadly in line with ties are offered to outside To the discomfort of the major Wall Street firm, the mactice was the subject of conweek's US Treasury refunding, which were broadly in line with expectations. Most other sectors essional hearings last week. Mr Michael Milken, Drexel's were similarly lacklustre, with the closure of Tokyo markets for Golden Week further subduing chief jank bond specialist, refused to answer questions,

leaving Mr Fred Joseph, Drexel's chief executive, to defend the practice against strong criticism from some Only one syndicate team was brave enough to launch a new issue ahead of the data. UBS Securities led a \$100m bond for a A six-month investigation by unit of its parent, Union Bank of Switzerland. UBS is a Triple A a House of Representatives' subcommittee indicated that more than 100 senior Drexel executives investing directly rated credit which is guaranteeing the three-year 8% issue at 101% which came at a yield maror through some 30 employee-controlled investment partnergin of 31 basis points over threeyear Treasury paper.
Syndicate managers at houses ships, had been buying heavily into selected new issues for

syndicate managers at notates not involved in the deal said the issue was fairly priced and seeing excellent demand, generated by both the shorter maturity and the name of the borrower. The deal was expected to be placed The investigators said the practice sometimes created an practice sometimes created an artificial shortage of securities. Some ontside investors complained they had to pay more for fewer bonds than would otherwise have been the mainly with large accounts in Switzerland. It was bid at a discount of 1, comfortably within case. The employee investors often made substantial profits by selling their bonds shortly total fees of 1%. Euroyen bond traders were

eagerly awaiting the reopening of Tokyo markets today, following the extended Golden Week holiday. Although the closure of the markets is expected to concentrate attention on developments in tha US, most dealers are expecting both Japanese govern-ment bonds (JGBs) and Euroyen ssues to show a firmer tone.

The yen bond markets have in force following a slow start to performed strongly lately against the new fiscal year.

EUROBOND DEALING rooms unfavourable factors in other and syndicate desks were markets. An analyst at a major extremely quiet yesterday with Japanese house said there was no most market operators reluctant sign of any let-up in this trend to take large positions ahead of Japanese economic fundamentals today's IIS unemployment report to take large positions anead of eaganese economic fundamentals today's US unemployment report, remain robust — March's Conwhich is seen as a key to determining the near-term policy of the Federal Reserve.

The details are positions anead of eaganese economic fundamentals today's US unemployment report, remain robust — March's Conwhich is seen as a key to determining the near-term policy of cent year-on-year has helped to quell some recent nerves about

INTERNATIONAL **BONDS**

a steady flow of funds repatriated from less attractive foreign secu-

rities markets.

Volume was low during this week's break, although most London-based traders were still in the office. However, despite the lack of a lead from Tokyo, the yen bond markets saw a few reserved price movements. unexpected price movements.
The majority of trading houses squared their books ahead of

squared their books ahead of Golden Week, reinctant to hold hong positions in the absence of direction from Tokyo. Robbed of this prop, nerves set in and, early in the week, prices were marked down quite sharply. However, bond prices soon started to look cheen at these levels and by reco cheap at these levels and by yes-terday dealers had detected a return of serious retail buying in

return of serious retail buying in anticipation of a stronger market in Tokyo today.

A dealer at one Japanese house said prices would be supported as both institutions and retail investors returned to rebuild the positions they had sold off but week. tions they had sold off last week. It is thought that the major Japa-nese banks, who are required to hold a certain amount of JGBs in their portfolios, will also return

On the resumption of trading On the resumption of training, the September futures contract is widely expected to replace the June one as the most actively traded. However, there is still no consensus about the benchmark. JGB issue with the market still will between the 5 per cent No split between the 5 per cent No 105 and the latest 4.6 per cent No 111, with even some rumours of a return to favour of the 5.1 per cent No 89. The No 105, with its cent No 89. The No 185, with its higher coupon and greater liquidity currently seems to have the edge. Many dealers think the K6 and 111 may continue to play beliwether roles in tandem for the near future. No new Euroyen issues are expected until later

Sentiment in West Germany Sentiment in West Germany received a minor lift after the Bundesbank left interest rates unchanged. However, although officials have sought to dispel rumours that a tightening of credit policy is imminent, fears remain that any tightening in the US will have a similar effect in Europe. Prices of government and Euromark bonds drifted narrowly lower in nervous trade ahead of today's US data.

There was one new issue in Switzerland for French oil com-pany Total The SFr100m sevenpany Tutal. The Strioum seven-year 3% per cent deal at 100% was led by UBS and was accom-panied by currency warrants. The lead manager said the deal was still bid within its total 2 per

Correction

A Swiss franc bond issue for the Republic Bank of New York was launched last week and was repeated in error in yesterday's International Bonds column.

Finnish banks form securities clearer

UNION HANK of Finland (UBF) kus, to handleback office func other banks and brokerage and Kansallis-Osake-Pankki tions and storage in securities houses on the Helsinki Stock (KOP) Finland's two leading commercial banks, have established a
joint clearing company, APC-kesKOP and UBF will invite all

Securities on the reising stock
Exchange to join the company.
The two banks plan to control
KOP and UBF will invite all

S2 per cent of the new company.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an a	dequate secondary market. Closing prices on May 5
US DOLLAR Change HI	Township and define the week Yield
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A/S Eleporti Jaans 714 92	30 1001 1001 +01 +01 5.08
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FEBRUARY 1988 **FEBRUARY 1988** MANAGEMENT BUY-IN OF PARBEL SA, BELGIUM **AUTOCLENZ** PRIVATE PLACING GRANVILLE ACTED AS FINANCIAL ADVISER TO REESTAR LIMITED AND ARRANGED THE MANAGEMENT BUY. IN ARRANGED BY GRANVILLE MARCH 1988 FEBRUARY 1988 SAVAGE GROUP PLC UNISTRUT EUROPE PLC HASACQUIRED PLACING OF CONVERTIBLE PREFERENCE SHARES **GELSON INDUSTRIES** (UK) LIMITED GRANVILLE INITIATED THIS TRANSACTION ARRANGED BY GRANVILLE AND ADVISED THE VENDOR **APRIL 1988 APRIL 1988** MANAGEMENT BUY. OUT OF **BREMHILL INDUSTRIES PLC** PRIDAY METFORD PLACING OF CONVERTIBLE PREFERENCE SHARES & CO. LIMITED GRANVILLE ACTED AS FINANCIAL ADVISER TO THE MANAGEMENT AND ARRANGED THE MANAGEMENT BUY OUT ARRANGED BY GRANVILLE **APRIL 1988** APRIL 198S **PUBLIC OFFER BY GRANVILLE**

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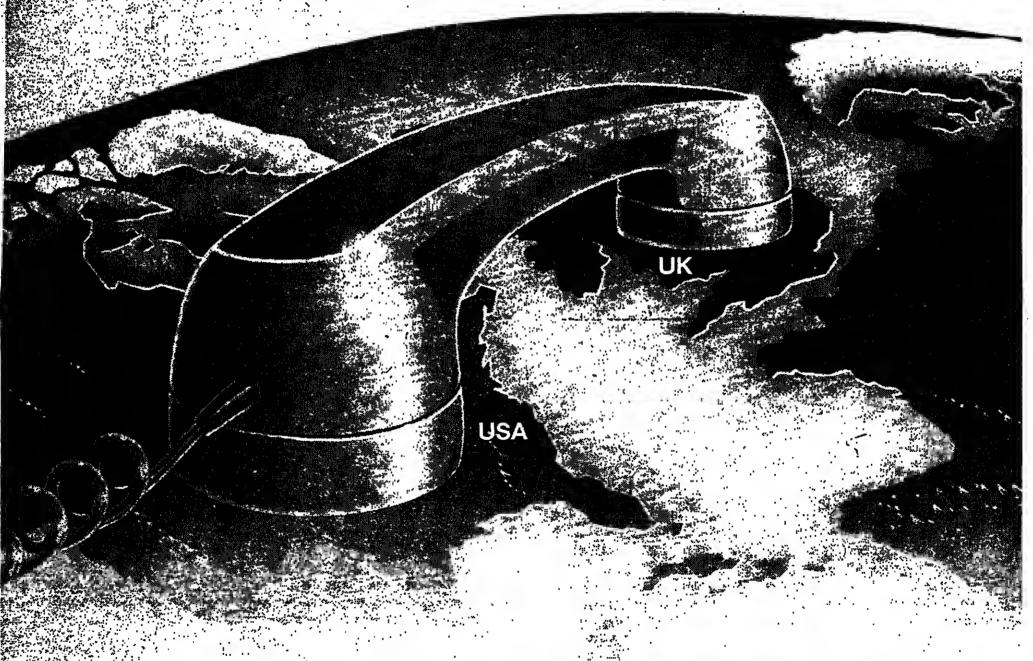
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CapCo buys out Pearson share of M25 development

Capital and Counties, the property group, has acquired sole control of the only major shopping director, said: "We centre development on the M25 motorway to have received planning consent by buying out the an acre, which, for a prime shop into the CapCo valuation to be made about six months after it has opened. There is therefore a possibility that Pearson could receive consistently more than 254 cm for the captain of the capcon of ning consent by buying out the share of Pearson, its partner, for

The development is at West Thurrock, Essex, an area where Pearson still retains land hold-ings of 1200 acres, most of which

is in the Green Belt.

Pearson, the publishing, banking and oil services conglomerate mg and ou services conglomerate which owns the Financial Times, is receiving in payment 15.7m CapCo ordinary shares. It is selling immediately 3.7m shares to TransAtlantic Holdings, Capco's parent, for £12.1m and has the option at the end of March for the poet form years to sell the next four years to sell tranches of 3m shares et a minimum price of 410p e share. Bid speculation has sur-rounded Pearson since News Corporation, the media empire headed by Mr Rupert Murdoch, acquired more than 20 per cent of its shares. Pearson yesterday said there was no connection between the Thurrock deal and the Murdoch stake. But City analysts said the transaction looked a helpful one for the company, since it made more evident Thur-

ping pitch in the south east, is

not expensive."
At the same time, the issue of At the same time, the issue of shares to Pearson widens the CapCo capital base and reduces the TransAtlantic equity holding from 68.4 per cent to 63.8 per cent on a fully diluted basis. This extends the capital restructuring of last year when CapCo launched a £182m rights issue. TransAtlantic is controlled by Liberty Life of South Africa. For Pearson, the deal fits into the policy of taking profits from its Thurrock land holdings when they become ripe for development. In April 1987, Pearson received £22m from the sale of a

received £22m from the sale of a Thurrock retail warehouse park to Land Securities.

The 410p option to sell on the CapCo shares puts a floor price under the Pearson stake in the

siderably more than £64.4m for its share in the Thurrock devel-

Pearson was also yesterday concluding the first stage of its deal to acquire Les Echos, e French financial newspaper, for 288m. A deal to buy 100 per cent of Les Echos was originally amounced in January but after opposition from the French Government it was modified, with Pearson buying an initial 67 per cent now, and the remaining 33 per cent a year hence, provided it is still an EC company.

CapCo expects to start con-struction of the shopping centre at Thurrock in August. At a cost retail space, the centre will be the first out-of-town shopping complex on the M25. It should be trading by the end of 1990.

tunder the Pearson stake in the company, which is 8.8 per cent on a fully dituted basis. But there is nothing to stop Pearson selling the shares on the open market if the price rises above 410p. Pearson will also be entitled to a one-off share of the profits of the 710p.

The market took news of the market took news of the deal quietly. CapCo shares closed by lower at 408p, while Pearson the price rises above 410p. Pearson will also be entitled to a one-off share of the profits of the 710p.

Crescent Japan under attack

which is pressing for unitisation dozen institutions accounted for April egm voting pattern is at £110m investment trust Crescept Japan, has written to share port, while resistance to converge

At an egm last month, a vote oppose such proposals. It has also requesting the board to draw up pointed out that implementation unitisation proposals was passed by a two to one majority. How-requires 75 per cent support from

Lyonnaise stake raised Lyonnaise des Eaux, French 22.4 per cent holding in the statu-water supply company, has increased its stake in Bristol owned subsidiary, General Utili-

Waterworks Company, one of the UK's three largest statutory companies, from 17 to 20.5 per cent.

Earlier this week Lyonnaise's shareholders to a very small rival. Compagnie Generale des roumber of votes, irrespective of Eaux, revealed it had built up a the size of their stake.

THE AMERICAN concert party ever. Crescent argues that half a shareholders, and that if the

holders criticising the Crescent sion of the investment trust into board for not adhering to the "one share, one vote" principle.

This, says the concert party, is contrary to the trust's articles of will produce a unitisation scheme to "mount a as requested, it continues to interest", and asks the board to contract the contract of the investment trust into cert party questions the use of Crescent money to "mount a minority defence against unitisation." The "apparent conflicts of as requested, it continues to interest", and asks the board to contract the contract of the investment trust into cert party questions the use of the contract of the contract into the contract of the contract into the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the contract into the cert party questions the use of the cert party confirm that shareholders will be able to cash in a 96 per cent of net asset value under the unitisa-

It adds that if no satisfactory replies are received, it will con-sider further steps which may include "requistioning a further meeting of the company to remove some or all of the directors and/or terminate the existing ent contract."

"Alternatively, our clients reserve the right to accept an offer for the company made to all shareholders," add the concert party's advisers.

Currencies limit Smith & Nephew growth rate

Barnings per share growth at Smith & Nephew Associated Companies, the medical and health care products group, slowed to 11.1 per cent in the first quarter. Earnings for the 12 weeks to March 26 rose to 1.8p (1.62p).

Pre-tax profits advanced by 11.9 per cent to £24.9m (£21.9m) on external sales ahead by less than 6 per cent to £135.3m. Currency differences reduced translated turnover by £11.7m and profits by

The strong pound also hit exports of textiles, especially denim, to continental Europe, reducing volume as well as

The earnings growth figure contrasts with the 15 per cent year-on-year rise shown in 1987 and the group's previ-ously consistent advances of 20 per cent or more.

Estimated tax of 27.2m (£8.6m) reflects a lower rate than in the first quarter of

The results were at the lower end of City expectations, and the shares closed 5p lower at 122p.

Vodafone float gets go-ahead

By David Thomas

The board of Racal yesterday released figures showing fur-ther acceleration in the growth of its Vodefone cellular tele-phone network and gave the firm go-shead for the flotation of its telecommunications group, centred on Vodafone. The aunouncement last week

that the flotation was likely resulted in a big jump in Bacal's share price. Further information about the flotation, which is expec-ted to take place between July and October, will be released over the next few weeks. One issue still unresolved is who

will handle the flotation; Racal's normal advisers are Hill Samuel Vodafone now bas more

than 165,000 subscribers, a fig-ure which is growing by more than 2,000 a week.

Harris Queensway slumps to £17m

A PLUNGE in the profitability of the furniture division and losses at Hamleys, the toy shop chain, were major factors behind Harris Queensway's sharp fall in full-year pre-tax profits to 216.93m, compared with £50.1m in the previous 12 months.

months.
Turnover, excluding VAT, totalled £560m (£592m) in the year to January 31, while opereting profits were £18.13m (£45.2m).

Property profits contributed just £159,000 to the pre-tax total, against £6.7m in 1986/87, while tax absorbed £5.7m (£15.4m).

Earnings per share totalled 4.16p, down from 18.96p. The group proposed an unchanged final dividend of 4p, making a

same as 1986/7.

The group said yesterday that midway through the year

it had become apparent that its ability to manage and con-trol the business "had not matched" the rapid expansion of prior years.

of prior years.

Although furniture sales
were up 15 per cent to £300m,
operating profit fell drastically
from £23.3m to £1.3m. Sales targets had been achieved but at the expense of higher promctional costs and lower mar-

gins.

The group has now re-positioned its furniture business, at considerable cost. It hopes this will return the division to tory profitability In the case of Hamleys,

acquired in August 1986, expansion of the prestige toy retailer into the main cities in Britain had proved to be "inap-propriate in relation to its age and trading position".

the group said.

Together with management and control problems, this resulted an operating loss of £2.66m, against a profit of

The group has changed the The group has changed the Hamleys management and reduced its toy operations.

The carpet division and Harveys, the household textiles and soft furnishings divisions, however, performed satisfactorily with operating profits of £12.8m (£12.3m) and £2.4m (£1.17m) respectively.

December. Explaining the reasons for the disposal just before the Christmas selling before the Christmas selling season, the group said: "We considered it necessary to take an attractive opportunity to exit from this highly seasonal and competitive business so that our management resources could be more effectively concentrated."

The same resource the helicity of the same resources to be the concentrated.

The same reasons lay behind the decision to sell the House Charm DIY business For the future, Harris

Queensway intends to forus primarily on the £6.6bn home furnishing sector in which it has e leading market share. This encompasses its furni-ture, carpets, textiles and soft furnishings divisions.

Maggie Urry looks at Harris Queensway figures and a possible bid

A business strategy on the carpet

company". The shares rose 46p yesterday to 171p.

Harris Queensway shareholdresults for the year ended January 1987 were announced, brokers' analysts made profit forecasts of up to \$65m, against the
All still seemed fine at the seemed f

annual meeting in June. But West Wood Mackenzie. "It is soon after one of the joint chief operating in market segments executives, Mr Peter Carr, which to say the least are not resigned. In mid-August the blow happy, he continued.

fell. Problems in the Queensway More interesting, but a subject furniture husiness, which Mr on which Sir Phil is losthe to Carr had been repositioning in its comment, is the bid approach.

market, had appeared. That Many brokers ruled out the possiwould mean profits falling to
between £32m and £38m, Sir Phil
on Harris Queensway's
revealed.

well-known problems.

ket developing in the shares — book value."
showing a pre-tax figure of just — According to the end-January

fig.3m were a shock.

The company's statement yesterday showed that it was by no terday's closing share price the

SIR PHIL Harris, head of Harris

Queensway, was in subdued town furniture business, which mood yesterday when once again he had to present brokers and journalists with poor trading apparent that the rapid expansion of prior years had not been made which, tionally, trading strategies in bankers' parlance, "may or embarked upon in furniture and may not lead to an offer for the Hamleys [the group's toy shop company". The shares rose 48p chain] were found to be incor-

chain) were found to be incor-rect," Sir Phil said. "There's no point discussing ers have had e few shocks to cope last year's figures, they are not with in the last year. After the worth talking about," said one

Even at the time of the interim Speculation centres on the pos-results in October, which showed sibility of a bid which would pre-tax profits, excluding property profits, down from £14.2m to better use of its property. Its £3.7m, Sir Phil still hoped to assets were last valued in 1979, a announce a figure of £32m for the time when out-of-town stores full year. Since then brokers such as Queensway's, were constituted in the street of £52m for t evised their forecasts down.

Even so yesterday's figures – less. These properties, Sir Phil rought out a week early, Sir says enticingly, are now worth Phil says, to prevent a false mar-ket developing in the shares — book value."

mings per share (pence) 1882 83 84 88 87 88

market capitalisation is £402m Would anyone be prepared to pay that much for a business, admittedly with great recovery potential, making such low profits and still having problems? The attraction is eight million square feet of retail space cover-ing names such as Harris Car-pets, Carpetland, Queensway, Vogue, Harveys, Times Furnishing, Poundstretcher, It would give a bidder the top position in

the UK furniture market.
That thought could, some brokers estimate, persuade a bidder to offer 200p or more a share "though I am not saying they would be sensible to do so,"

The difficulty for any bidder is that Sir Phil holds 16.5 per cent of the shares, and Great Universal Stores a further 23.4 per cent, the legacy of a sale of some GUS has agreed not to accept a hostile bid for the group unless more than 50 per cent of the remaining shareholders do. Nor can GUS sell its shares without first offering them to Harris

lucensway. Mr Harold Bowman, a deputy chairman of GUS said yesterday "the figures are clearly disap-pointing and the management acknowledge a number of errors which they are seeking to rectify. The management will continue to have our support."
A hostile bidder would have a

hard job to gain control, let alone reaching the 90 per cent neces-sary to force out minority hold-

Analysts thus suspect that since Harris Queensway did not dismiss the approach out of hand the board may not be entirely antagonistic to a bid at the right parce. Sir Phil points out that he is obliged to do whatever is in the best interests of shareholders as a whole.

He says he wants to retain con-trol and, with the help of the strengthened management team, sitengthened management team, get the company back on its growth path, "I wouldn't be sitting here otherwise," he remarks, adding, "the only way I am going to win with the brokers and the press is by producing the figures and that is what I intend to do."

However, those who saw him yesterday fielt he did not give the air of a man determined to fight

air of a man determined to fight a bid, tooth and nail. And cynics pointed out that if it came to a defence document, it would be hard to produce a profit forecast anyone would believe after the last year's forecasting attempts.



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April, 1988

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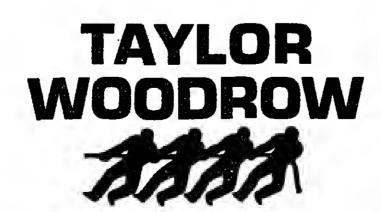
6th May, 1988

When it comes to talking about £73.1m profit some figures speak for themselves.



Taylor Woodrow teamworkers achieved new records in 1987 for the 27th consecutive year. Of £73.1m profit (1986 £57.6m) £20.0m came from Construction £27.1m from Property development and investment £20.9m from Homebuilding and £5.1m from Trading activities.

For not unsatisfactory profitability and performance the figures pulling as a team ensure the figures vital for future growth.



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UK COMPANY NEWS

Hopkinsons' profits dive as closure costs bite

Profits increase

by 17% despite

substantial

adverse currency

movements

Continued growth

in antivirals,

including

AIDS treatment

Interim dividend

1.0p per share

Interim results for the half-year ended

27 February 1988 (unaudited)

1st half

1987

£т

557.1

81.2

5.5p

1st half

£m

588.0

94.8

Wellcome plc, The Wellcome Building, PO Box 129, 183 Euston Road, London NW1 2BP.

6.4p

Percentage

Increase

+6%

+17%

+17%

THE costly closure of one plant and post-privatisation cost-cutting at British Gas combined to slash pre-tax profits of Hopkinsons Holdings, the valve manufacturer, from £9.14m to £1.58m for the year to January 31 1988.

Nevertheless the company is furnessed to provide economics of scale by merging the operation of two subsidiaries, but difficulties in integrating computer systems resulted in lost for the year to January 31 1988.

Nevertheless, the company is paying a 3.33p dividend, unchanged on the previous year.

British Gas cut orders by about

am to Hopkinsums' Bryan Donkin subsidiary, which accounts for 37 per cent of group turnover and makes about 60 per cent of its sales to the gas utility. Group turnover fell tu £73.74m

(£77.25m).
The W.B. Controls plant at Radcliffe was shut just six months after it had opened, and closure costs and operating losses

The Radcliffe business is now being moved to the Hopkinson plant, where it is hoped an ensite steel foundry and currently under used capacity will boost

Peter Frost succeeds Mr Roger Bentley, who is retiring after 10 years with the company. Mr Frost is also chairman of Voler, the electrical controls company, and Renold, the engineering con-

Hopkinsons' US valve-maker had a good year in local currency terms, although the benefits were lost in currency translations. The beer dispensers division courributed about £650,000 to profits, sharply up on the previous year's £180,000.

Interest and other receipts rose to £575,000 (£134,000). Tax took £394,000 (£2.19m). Earnings per share came out at 1.86p against 11.30p last year.

The company also announced a change of chairmanship. Mr

J W Spear dividend challenged

J W Spear & Son, games and toy manufacturer, has been forced to announce a poll over the size of its proposed dividend, after being challenged by representatives of 15.7 per cent shareholder Allied Eutertainment at yesterday's annual meeting.

The poll will be held at the spear cash of 25 per cent on the reduction of 26 per cent on the previous year. Allied Entertainment has built up its stake in the company over the past year and two years ago.

The poll will be held at the

The Allied Entertainment representatives argued that the proposed dividend of 6p was too high and that the money could be better applied to the business. Commenting on this point, Mr Francis Spear, chairman and chief executive of Spear, said that the company had adequate cash for rency movements, which resulted

two years ago.

The poll will be held at the company's registered office on Thursday May 19. The chairman holds proxies in favour of the dividend resolution, representing 49.8 per cent of the issued share capital.

Reduced margins restrict growth at MIL Research BY PATRICK DANIEL

MIL Research Group yesterday reported pre-tax profits of £1.79m for the year to end-January – a rise of 11 per cent. The growth was a far cry from the more-than-doubled increase of the pre-vious year, which followed the group's market debut via a placing in December 1952

group's market debut via a place ing in December 1986.

Mr Rudi Goldsmith, chairman, said that while he was happy with the turnover increase of 12 per cent to £142m, he was disap-pointed that profits growth had been held back by lower margins and "slow developments" in some

for the year of 3.3p. Earnings per share were 13p, up from 10.8p.

Mr Guldsmith said that although healthcare research per-formed well, its hospital technol-ogy audit service in the US had been delayed, resulting in lower than expected income. The ser-vice is however, expected to con-

than expected income. The service is, bowever, expected to contribute larger profits this year.

Comsumer products research in the UK came under severe competitive pressure, but MIL intends to stay ahead of its rivals having obtained an exclusive UK licence for a new US computer. licence for a new US computer model that can forecast market

	Conrent	payment,	div	Acar.	year
Boot (Henry)fin	9.5		7	14.5	10
Caparofin		•	0.9	0.75	1.65
Harris Queensway .fin		July 11	4	5.75	5.75
Higheroft Invfin			1.45	2.7	2.45
Hopkinsons Hklsfin		Aug 3	2.42	8.33	3.33*
litra Rubberfin	0.8		0.8	8.0	0.8
Mezz Cap & Incfin			-	13.25A	-
WII. Research	2.21	July 25		3.3	-
			5.25	10	7
	1.5	June 29	-	2.5	ũ
Select Appointsfin	11	4000	0.9	1.1	0.9
Singapore Parafin	2.85†	July 29	2.25	4.6	3
	2001	June 16	0.81	-	2.81
(((((((((((((((((((((((((((((((((((((((45.00
Dividends shown pend	e per shar	re net exce	pt where	otherwis	e stated.

	8897 000 2	£000
urnover	14,163	12,640
rofit before tax	1,789	1,614
rofit after tax*	1,316	986
arnings per share	13.0p	10.8
Dividends per share	3.3p	

has placed us in the forefront of the UK's telephone based research facilities and new regional facilities are being added.

by earnings.

Rudolph W. Goldsmith, Chairman



INTERNATIONAL MARKET RESEARCHERS

Free fram the restraints of its 44444 electranics activities, Capara's pasitian as a majar, successful and prafitable supplier of steel and engineering products to iadustry becames clear. With the British manufacturing sceae naw shawing its strongest revival for many years and the potential of Europe's 1992 market ahead, Copare faces aa exciting life with aewborn energy and dynamism. 1987 RESULTS **GROUP PRE-TAX PROFIT UP** 38% TO £2.2m INDUSTRIAL DIVISION OPERATING PROFITS UP 39% TO £8.1m AND SALES UP 14% FIRST 3 MONTHS' TRADING UP SUBSTANTIALLY ON LAST YEAR Cut the coupen for your capy of the Annual Report

CAPARO INDUSTRIES PIC

Wellcome

Turnover

Pre-tax profit

Earnings per share

areas of the business. The directors propose a final shares that new products can dividend of 2.2p, making a total eventually gain. DIVIDENDS ANNOUNCED Corres - Total Total "Equivalent after allowing for scrip issue. tOn capital increased by rights and/or acquisition issues. SUSM stock. Silinquoted stock. Third market. *For 17 months. **BM** acquisition BM Group, industrial holding company, is to buy the marketing and manufacturing rights of Bar-ber Green asphalt pavers from Aziec Inc of the US for \$250,000 (£134,000). The agreement covers Western Europe and Scandana via. In a separate deal, it has purchased from the receiver purchases and production stock and certain fixed assets of Barber Greene England for £851,000 cash. Meanwhile, BM has sold W & & meanwhile, EM has sold W & J
Tod, a manufacturer of glass
reinforced plastic mouldings, to
Cray Electronic Holdings for
51.13m. In addition, Tod repaid
intergroup loans of £1.98m before
completion. IN BRIEF

PROWTING a housebuilder based in Ruislip, is planning a main market listing later this month via an issue of new shares

sponsored by Lazard Brothers. The company made pre-tax profits of \$5.5m on sales of £53m in its last financial year.

ASSOCIATED ENERGY Services plunged into the red in the six months to March 31 1988 with pre-tax losses of 239,173 (240,586 profit). Turnover of this USM company was £1.3m (£1.48m). No tax again payable. Extraordinary debit £20,360 (£22,546). Loss per share 0.56p (0.58p earnings).

SEAFIELD achieved turnove

IES.26m (£4.5m) for 1987 against (IE6.56m) and profit £48,000 (£28,300). Tax credit £25,000 (nil)

for earnings 0.4p (loss 1.5p before extraordinary charges £361,000). Company engaged in production of textile and PVC coated fabrics.

MEZZANINE CAPITAL and Income Trust 2001: Net asset value £1 per capital and 88p per income share at March 31 1988.

Final dividend 5.5p for a 13.25p total Net revenue for 17 month

period £2.01m after tax of £1.08m Earnings 13.38p.

BOC given clearance for US sale By Clay Herris

BOC Group, UK-based industrial gases producer, has been cleared to sell a US carbon graphite plant to Showa Denko, the Japanese chemical company. The proceeds may fall short of the original estimate of \$100m (£54m).

BOC said yesterday that the disposal of the South Carolina facility to Showa Denko would go ahead now that US regulatory authorities had lodged no objections to the sale.

Showa Denko is to pay \$70m for assets which were valued at \$63.8m on September 30. It will also buy inventories, which were valued un the same date at \$11.2m, but the final price of which is not yet known. BOC will retain the unit's receivables, which it yesterday estimated at \$15m to \$20m.

Earlier this year, BOC unilaterally cancelled a planned sale to Horsehead Industries, a private US company, after concluding that the US Justice Department was recognized to block the deal was preparing to block the deal on anti-trust grounds. Horsehead subsequently filed suit against BOC.

UK market helps Time **Products to** 50% rise

Time Products, watch manufacturer and distributor, increased pre-tax profits by over 58 per cent to 211.5m for the year to January 81, against 27.62m in 1986-87.

the year to January 31, against 27.62m in 1936-87.

If profits more than don-bled to £6.51m (£2.25m) on turnover up 25 per cant to £3.25m (£26.1m). The figure was boosted by interest of £1.78m (£26.1m). The figure was boosted by interest of £1.78m (£26.1m). The figure was boosted by interest of about £23m.

Time distributes Longines, Plaget and Baume & Mercler watches, as well as its own brands. Sekonda, which it claims is the UK's top-selling hrand, Limit and Lotus.

Group turnover increased to £53.8m (£48.6m). Earnings per share rose 44 per cent to 18.22p (12.63p).

Time's manufacturing operation, Remex, with factories in Hong Kong, France and China, increased its profits to £4.98m (£4.38m) on slightly reduced turnover of £21.3m (£22.6m).

Mr Marcus Margulies, managing director, said the company would look for acquistions in 1988. He said Time hoped to acquire under-exploited brands, which could be developed, and to expand geographically, especially in the US, where the Elancpain range of watches had just been lamched with Tifiany & Co.

He added that the manufacturing operation was now incidental to his view of the company, which would begin to move into different types of brand marketing.

He said there was potential to exploit the Sekonda brand-name on a range of high-value "designer" products and to develop sales of Sekonda brand-name on a range of high-value "designer" products and to develop sales of Sekonda

"designer" products and to develop sales of Sekonda watches on the continent.

Time is also moving its head office from Farringdon Road to Grosvenor Street, enabling the company to provide better service to its retail customers.

The board is recommending a final dividend of 2.85p, making 4.6p (3p) for the year.

Simplex Electrical

Simplex Electrical, an electri-Simplex Electrical, an electrical equipment manufacturer which is tiself a product of a management buy-out, has amounced a £4.35m management buy-out of its installation products business, Power Contre Holdings.

The 'deal has been financed by £2.1m of bank lending and £2.5m of equity and loan stock, arranged by Sumit, the development capital commany.

Punter Southall Kerr & Co.

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PROP

A YEAR OF PROGRESS

FINANCIAL HIGHLIGHTS for the year to 31 January 1988

Expansion is being achieved organically and by further complementary acquisitions.

The acquisition in October 1987 of Market Research Enterprises

The total dividend of 3.3p per share is almost four times covered

*Post tax profit shows the benefit of the carry forward of earlier tax iosses in the U.S.

A copy of our Annual Report, to be published in mid-May, may be obtained from The Secretary, MIL Research Group pic, 1-2 Berners Street, London W1P 3AG.



MIL Research Group pic

UK COMPANY NEWS

Caparo to close Fidelity and restructure

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Caparo Industries, the engineering group headed by Mr Swraj Paul, has finally decided to close down Fidelity, its loss-making electronics subsid-

Fidelity's factory at North Acton, London, will shut and 500 jobs are likely to be lost. The closure will take place in stages during 1868.

Yesterday Caparo also announced results for the year to December 31. Pre-tax profits rose to £2.17m, compared with £1.58m in 1986, on turnover up to £150m (£136m). Interest Payable increased to 23.56m (22.94m).

The company is proposing a reduction of capital to eliminate a deficit on the group profit and loss account. The ominal value of the ordinary and the two classes of convertible preference shares will be reduced to 1p, 8p and 8.75p

respectively.
Caparo is also planning an open offer of new convertible preference shares to raise £5.8m. This will reduce gearing from 72.4 per cent to 29.2

Caparo's results have been dragged down by losses at Fidelity ever since it bought the company in 1984. Yester-day's figures were affected by a £3.6m trading loss at Videlity, its higgest under Caparo's

The estimated cost of closure and trading losses and interest costs for 1988 are included in an extraordinary loss of £10.8m. This figure also includes the £3m balance of goodwill not written off in the accounts of the last three financial years.

As a result the company's loss for the financial year, after tax and dividend payments, increased to £11.8m. compared with a loss of £1.52m in 1986. No dividend is to be paid immediately, but

Caparo expects a special interim dividend in July 1988. Fully diluted earnings per share dropped from 1.45p to

Operating profits at Capa-ro's industrial subsidiaries increased by nearly 39 per cent to 28.13m (£5.86m) in 1987. commentAnalysts yester-day rolled out cliches about Caparo having finally bitten the bullet and grasped the net-tie over Fidelity. The engineer-ing company has also killed several birds with one stone by proposing restructuring and a share offer to clean up the bal-ance sheet. Even without Fidelity it was beginning to

look worryingly untidy. Mr James Leek, Caparo's chief executive, now hopes the com-pany has done its penance and investors will concentrate on the company's quietly successful subsidiaries, which manufacture steel, abrasive and aluminimum commodities for industry. Caparo's share price was fairly stable yesterday, losing 12p to close at 4112p. The company should make around £7.25m in 1988 and this puts the shares on a fully diluted prospective p/e of about 14, not particularly cheap but certainly more attractive than before the Fidelity closure.

Terry Dodsworth and Andrew Hill on the end of an era for British TV manufacturing

Caparo rids itself of a costly albatross

THE NEWS that Capero Indus-tries is closing down the operations of its Fidelity election-ics business marks the end of an era for the British television manufacturing industry and the end of a very unhappy chapter in Capero had acquired the business because it looked as though its company to history. end of a very unhappy chapter in

the industry, in particular, cut other hand, was the gogo UK - threat competition from Japanese manufacturers.

For Capane Research market.

Consumer electronics, on the other hand, was the gogo UK industry with Mr Sugar, Clive Sinclair and others as its

For Caparo, Fidelity has been a preneurial heroes. costly albatross ever since it took But three factor over the business in 1984 and under Caparo. legal battle with the previous they had been misled by Fidelit that level were unacceptable. The strading position at the time of March 1984. Caparo sued two the bid.

Fidelity directors Strading 1984.

Caparo's history.

Fidelity is the last of the Britian own core operations - manufacturing a wide range of products ishowned televinessons for its dead-end market.

But three factors hit Fidelity

the bid. Caparo sued two fidelity directors, Steven and In the early 1980s Fidelity — Robert Dickman, alleging they floated on the stock market in overstand stock values and profigure than the best defence against changing tastes in hi-fi issued a writ against Fidelity's and Japanese competition was amittors, Touche Ross. The outdiversification from its core radio come of both cases is still manufacturing operation. It is still to the case is sti



Swraj Paul, chairman of

Fidality incurred a loss of last year. A new round of price i The two other hig names to cutting that had got underway in disappear from the British industron under Capero, increasing to earnest in 1986 cut the ground try are Rediffusion, which was fileson, before being checked at £1.11m in 1986-87. Caparo has considered every

possible means of saving Fidelity:

from diversifying or importing Fidelity products through to sale

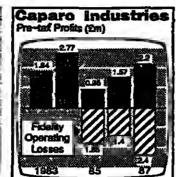
diversification from its core radio come of both cases is still manufacturing operation. It expanded its new range of televisions with a colour model, taking began to tell on Fidelity's results on the Japanese directly, and moving into video recorders and margins were squeezed. The radio, the lattire proving an expansive mistake.

A rights issue raised nearly fam in 1984 and gross margins profits fell significantly short of per cent to 10 per cent.

As the share price plummeted, heads and revamped its reputage predators gathered, including for thiporturing to sale of forced in the bidleands. The demise of the UK-owned must be find in the Midlands. The demise of the UK-owned must be market finally tipped the balance was the unfavourable exchange and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of components and encouraged rate, which pushed up the price of capacity within their operations.

The demise of the UK-owned in the findity's product and the sets are find the price of components and encourage of capacity within their operations.

The demise of the U Fidelity's product range was too ever, Mr Paul says margins at industry.



The final squeeze was applied UK producer, and persuaded its owner, Thorn EMI, to sell to Thomson of France. Fidelity was

left to battle on as the lone survivor of the indigenous industry.

The demise of the UK-owned

Despite the increasing importance of the Japanese, Ferguson remains the higgest manufac-turer in the UK, with its production this year estimated at around 700,000 units. The next largest is probably Sanyo, with output of about 450,000 TVs in the current year, followed by a clutch of producers on about 400,000 milts a year.

Sanyo was one of the Japanese groups which took over an estab-lished British-based operation, in this case the former Philips plant at Lowestoft. Philips, based in the Netherlands, is itself a for-eign investor, but the Lowestoft plant was originally owned by Pye, a British company.

closed down in 1985 when some of its other activities were taken over by Granada, and Decca absorbed by Tatung of Taiwan which now manufactures in Telford in the Midlands.

Agricultural

The Financial Times proposes to publish this survey on:

Supply

Industries

4th July 1988

For a full editorial synopsis and advertisement details. please contact:

MARK JONES on 01-248 8000 ext 3565

or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

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Banque ARIIL

The Annual General Meeting of Shareholders of Banque ARJIL, held on April 26, 1988, approved the accounts for 1987 as presented

Executive Board Chairman Mr Christian GIACOMOTTO reviewed the principal activities of Bangue ARJIL, since it began operations in April 1987. The Bank has been particularly active in three target

- Financial activities: operations in this sector included mergers and acquisitions, introducing companies onto the Paris Bourse and the creation of the investment company Compagnic Industrielle et Financiere de PRESBOURG, with equity of FRF 750,000,000;
- Capital market activities: Banque ARJIL rapidly established itself as an active operator, conducting operations for the accounts of corporate and institutional customers as well as for
- Portfolio management: by year's end, Banque ARJIL was managing total assets in excess of FRF 2.5 billion, mainly through 17 investment companies and funds which were especially created for this purpose.
- At the end of its first financial year which represented eight-and-a-half months of activity- the Bank returned a net profit of FRF 6.1 million. As at December 31, 1987, the total balance sheet stood at FRF 2.1 billion, with contingent accounts -including mostly hedging instruments- totalling FRF 5.2 billion.

In view of the high level of activity since the beginning of the current year, results for 1988 should show a significant increase.

THIS DOCUMENT (S. MIPORTANT, AND REQUIRES YOUR MIMEDIATE ATTENTION. If you are in any doubt about the action to be taken, you should consult your acceptance, Ecopani doubt bank manager, solicitor, accountant or other professional advisor immediately. If you have sold all your shares in Crescent Japan, acceptance print through whom the sale was effected for transmission to the

OLLIFF & PARTNERS P.L.C.

Registered Office: 32 Threadneedle Street London EC2R 88A 5th May 1988

To the shareholders of Crescent Japan Investment Trust PLC Dear Shareholder.

GRACE-PINTO AND ASSOCIATES

PROPOSED UNITISATION OF CRESCENT JAPAN INVESTMENT TRUST PLC

At the Extraordinary General Meeting of Creacent Japan on 22nd April 1988 shereholders voted, by a resounding two to one majority, in favour of our clients. Grace-Pircoland Associated, unintestion resolution. The board's own resolution, that Creacent Japan should continue as an investment trust, was also defeated

Following the meeting the Cheimman wrote to shinteholders on 25th April 1988 enclosing a copy of the press release issued by the board immediately following the meeting. This latter sets out our response to the Cheimman's letter.

For shareholders' information, the actual results of the voting at the meeting were as follows:

**Onlinery Resolution that the Company about continue as an investment trust in its present form" (proposed by the board, 16,800,556 veces FOR (33,9%) 32,457,409 veces AGAINST (86.1%).

**Ordinary Resolution to remain the board to extend the continue of the board to extend the extend the extend to extend the extend the extend to extend the extend to extend the extend th "Ordinary Resolution to require the board to submit proposals for liquidation and unitication of the Company" (proposed by Grace-Pinto and Associates).

Heavilti: 35,194,169 votes FOR (65,7%) 18,389,925 votes AGAINST (34,3%).

in the light of the above we and our olients are extremely concerned at the contents of the Chairman's letter and press release is contently to the Company's Articles of Association which provide for one water per share and not easy vote per shareholder. The board intends to ignore the wishes of the majority of shireholders as expressed in the votes cast on the two recolutions and to use the Company's funds to support their own minority appendition to unitiastion. This action by the board violates the clear instruction given by the majority of shareholders. The board made certain statements in its press release with which we and our clients take issue: 44 The message is that Crescent Japan should continue as an investment trust,??

The board's own resolution that Creecent Japan should continue as an investment trust in its present form was defeated by 32,457,469 votes to 16,609,550. The message from this is olest, Sharsholders will want to know how the board plans to implement their wishes that the Company should not confinue as an investment trust; unless the directors consider on reflection that, having lost so heavily a vote of confidence on an issue of their choosing; they are known bound to resign. 4-6 in order to defect unitiestion proposals, the board requires only a 25 per cont. blocking minority.??

The beard's duty is to set in the best interests of the shareholders, it should be so part of the board's business to block the majority of shareholders' wishes, let alone premote minority interests.

66We now believe we have a specific mandete to support our recommendation that shareholders oppose unitisation." idings have given a clear manufact to the beard in fevour of unitination and have instructed the board to prepare unitisation proposals. The is no manufact to spend shoreholders' money in opposals. The

This is not a test case for the future of the investment trust sector. The proposals have been put forward as a result of the poor performance of Crescent Japan. The directors are duty bound to look after the interests of the shereholders of Crescent Japan and these interests were clearly reflected in the results of the Extraordinary General Meeting.

64 This is a test case for the future of the investment trust sector.??

44 We do not intend to let our supporters clown. We shall continue the fight.??

Are shareholders to conclude that the board, having overseen a 60 per cent, level of Equidity for the Company in a rising Japanese market and having approved a 50 per cent, increase in Edinburgh Fund Managers pide ("EFM") management fee and having schloved the worst performance of all specialist Japanese investment trusts over the lest year, will now go on to seek to engineer a statemate, which would be detrimental to all shareholders and would inevitably cause a

Shareholders are reminded that of the tive directors of the Company, three have been directors of EFM and two remain directors, including the joint Managing

We have the following specific questions for the directors:

Will the board state the basis on which units in the new unit trust will be issued and confirm they will have a realisation value of at least 96 per cent, of Creacent Japan's net asset value? This is demonstrably achieveble and based upon precedent.

The directors have told us that the Company's costs to date in resisting our clients' proposals amount to £300,000. Will the board undertake that it will not spend any more of the shareholders' money in mounting a minority defence against unitiestion?

Our clients continue to be concerned about the apparent conflicts of interest. Can the board confirm that at the very least the development of detailed unitiastic proposals will be delegated to the directors independent of EFM who should be committed to maximizing shareholder value? They should bear in mind that shareholders have shown a lack of confidence in the board, expressed on the last three occasions on which they have been asked to vote. On 20th April 1988 the ordinary share price of Crescent Japan was 157p, a discount of 11.3 per care, to not seast value per ordinary share of salestion proposals are approved with a realisation value of \$6 per care, of Crescent Japan's not asset value this would be equal to approved 170p per ordinary share, an increase of 18p per share for all shareholders. If epithestion proposals are not approved shareholders can explain to fell seed the discount to widen to se much as 10 per cent, being the investment trout sector average. The price at this level of discount to the period of the discount to widen to se much as 10 per cent, being the investment trout sector average. The price at this level of discount to the period of the investment trout sector average.

It is the duty of the directors, following the resolutions passed at the Extraordinary General Meeting, to prepare proposals for unitiation in good faith and using resonable care and skill. It is not the duty of the directors to attempt to compromise shareholders in order to gain support for the continuation of Crescent Japan as an investment trust against the expressed wishes of the majority of shareholders. We are confident that unitization proposals which achieve a realisation value of at least 96 per cent. of Crescent Japan's net exect value will have the support of more than 75 per cent, of shareholders.

As a result of the board's minominished to shareholders to vote against unitiaation of the next Extraordinary General Meeting (as expressed in the Chalimer's letter of 25th April 1968), we have destite as to the board's commitment to bring forward proposals which will achieve a realisation value as defined above. We will sufficient a copy of this letter to the board and aspect replies to the above questions by 21st May 1988.

If no satisfactory replies are received, Grace-Pieto and Associates will consider what further steps must be taken to protect the interests of all shareholders. These staps were, if the directors persist in their opposition against the majority of shareholders, include requisitioning a further associate of the Company to remove some or all of the directors and/or to terminate the existing management contract. Alternatively, our clients reserve the right to apospt an effer for the Company made to all elearnicolders.

Yours faithfully, for Olliff & Partners P.L.C.

Detailed below are a number of relegant events which have occurred over the past few months. These events: 4: exemplify the recent poor performance of Crescent Japan and the way in which its directors have misjudged the views of their shareholders.

• 12th November 1987 - good management?
The Directors announced that they considered that ..." In the radically altered investment climate resulting from recent heavy falls in ed in equities would be imprudent." Events proved them wrong. At that date the TSE Index was at 1767.23 and at 3rd May 1988 the

Despite the poor performance of the Company the directors increased the management fee of Edinburgh Fund Managers pic ("EFM") by 50 per cent. This, along with an unusually long five year contract, makes the management agreement one of the most restrictive in the

18th February 1988 - miejudgment of shareholders' views
 At the Extraordinary General Meeting shareholders voted down the board's proposed scrip issua of warrants.

• February 1988—Lack of commitment of EFM to investment trusts – The Scottish Business Insider Colin Rose, joint managing director of EFM, stated... "The real issue is the maintenance of an investment management industry up here, not the concentration on a product which frankly has had its day."

• Sth March 1988—creation of shareholder value? - Our letter to the Chairman
"I would like to most you at the beginning of next week to discuss our proposals... I shall be grateful if you will let me know by
Friday 11th March when it would be convenient to meet with you. We would, of course, be prepared to come to Edinburgh." The

• 14th March 1988—creation of shareholder value? - Our letter to the directors
"...if on reflection you wish to reconsider our request for a meeting we remain ready and willing to see you." The board would not

21st March 1988—creation of sizarcholder value? — Our letter to the Chairman
 "We continue to remain ready and willing to discuss with you any aspect of a proposed unitisation of the Company!" The board

would not agree to a meeting.

• 31st March 1988—poor performance.

The Association of Investment Trust Companies' figures to 31st March 1988 show that Crescent Japan was the worst performing of all cialist Japanese investment trusts over the year to that date.

• 5th April 1988 – creation of shareholder value? – Chairman's letter to shareholders "In this opinion of Citicorp Scrimgsour Victors, the realisation discount could, as a consequence, be as compared with the closing discount to not asset value on 29th March 1988 of approximately 14 per cent." ence, be as high as 10.5 per cent. • 5th April 1988—misjudgment of shareholders' views – Chairman's letter to shareholders

The directors convened a meeting requisitioned by Grace-Pinto and Associates and added their own resolution—"THAT Crescent Japan

Investment Trust PLC continues as an investment comviews on this resolution by voting against it and defeating it. ent company in its present form"-as a diversion. Shareholders later made clear their

• 12th April 1988—Independence of the board's advisors? — Our letter to shareholders
"Shareholders are being advised by the board of directors who in turn are guided by the merchant bank, Nobie Grossert
Limited......Shareholders should further note that, of the five members of the board, only two are truly independent of EFM,
namely Mr. Mecdonald and Mr. Cassidy. Mr. MacLennan and Mr. Yistt are both directors of EFM (as disclosed in the Company's nt). Mr. McInroy joined EFM at its formation, remains a shareholder and has been a direct

 13th April 1988—conflict of Interest? – The Lex Column—Financial Times
 "Advising them are merchant bankers Noble Grossert, and shareholders could be forgiven for finding it curious that the managing director of the bank is also chairman of Edinburgh Fund Managers, which manages Crescent Japan. That is the sort of ch starts one looking around for a bit of help from the referee."

● 15th April 1988 – facts from our letter to shareholders

"The FM Tokyo Fund, a specialist Japanese unit trust, has outperformed the Company over the past five years."
"Crescent Japan's liquidity was as high as 64 per cent, when the Tokyo Stock Exchange Index stood at 1725,83. Over the next two months as the Index climbed to 2078.87 liquidity remained as high as 50 per cent. The Company announced on 11th April 1988 that liquidity had been reduced to 6 per cent, but by that date the index had reached an all-time high of 2183.58." "Unitisation can achieve 96 per cent. of net asset value."

22nd April 1988—misjudgment of shareholders' views

Resolution 1: result: 16,609,556 votes FOR [33.9%] 32,457,409 votes AGAINST [66.1%]. Resolution 2: result: 35,184,159 votes FOR (65.7%) 18,389,925 votes AGAINST (34.3%).

The hoard was defected up both resolutions. • 25th April 1988—doubtful tectics? — Chairman's letter to certain institutional shareholders "The board of Crescent Japan was most disappointed to learn that Iyou! voted against the board and for unitisation at the extraordinary general meeting held lest Friday..., We hope that you will resease your policy towards investments such as this so that your investment managers can take note of the clear wishes of the majority of shareholders in Crescent Japan and not be restricted to taking their decision on short farm portfolio grounds."

THE ABOVE POINTS ARE AMPLE JUSTIFICATION FOR OUR CLIENTS' RESOLUTION — DO NOT BE DIVERTED. IN ADDITION TO POOR PERFORMANCE, THE SUBSTANTIAL REDUCTION IN THE DISCOUNT IS A FURTHER COMPELLING REASON FOR THE UNITISATION OF CRESCENT JAPAN TO PROCEED.

On 30th April 1988 the ordinary share price of Crescent Japan was 157p, a discount of 11.3 per cent. to not asset value per ordinary share of 177p. If unitisation proposals are approved with a realisation value of 96 per cent, of Crescent Japan's not asset value this would be equal to approximately 170p per ordinary share, an increase of 13p per share for all shareholders. If unitisation proposals are not approved shareholders can expect the share price to fall and the discount to widen to as much as 19 per cent., being the investment trust sector average. The price at this level of discount would be 140p.

OLLIFF & PARTNERS PLC. Member of The Securities Association (Registered in England No. 2072503)

Anti-viral drugs boost Wellcome

Mills & Allen forming European network

Avenir, and Avenir is subscribing exchange, is controlled by Havas, £12.6m for its stake in the UK the French advertising group, company. The deals value Avenir Avenir has a 25 per cent share of at £79.1m and Mills & Allen at the French poster market and

A STRONG performance from strength of sterling against the nearly always fatal, it has held are not suffering from the full the anti-viral drug Zovirax and dollar. Wellcome said that if its up the course of the disease and from Retrovir, the only formula-figures had been calculated using relieved symptoms. tion available on prescription to constant 1988 exchange rates, combat Aids, was behind a 17 per cent rise in interim pre-tax profits would have best-esling formulation, climbed cent rise in interim pre-tax profits announced yesterday by Wellower 18 per cent higher.

Mr Aifred Shepperd, chairman, the best exchange rates, sales of Zovirax, Wellcome's best-esling formulation, climbed to £94m, compared with £71m. Sales of Retrovir were £40m (nil). In the second half last year they

Mills & Allen, the UK's largest outdoor poster company and a

wholly owned subsidiary of MAI, the international financial, media, and information services

group, has joined forces with Avenir Publicite, the French poster group, to establish a Euro-pean outdoor advertising net-

The joint venture is being established by a series of transac-

Mills & Allen and Avenir are

tions announced yesterday.

company. said a significant factor behind The profit figure of £94.8m the results was a strong contribu-The profit figure of £94.8m (£81.2m) was for the first six months of 1967-88 to February 27. Sales rose 6 per cent to £588m.

Earnings per share were 6.4p, an increase of 17 per cent. The company announced an interim dividend of 1p (0.81p) per share. The advances were achieved in spite of the adverse effects of currency fluctuations, chiefly the

rency fluctuations, chiefly the as a cure for Aids, which is the drug for treating people who

£50m.

The two companies are establishing a new jointly owned company, Europoster, which in turn is buying Mills & Allen's Belgian subsidiary, Bernaerts, for £14.7m; acquiring control of La Red, a leading Spanish outdoor advertisting contractor. for Ptas480m than the contractor of the contractor of

ing contractor, for Ptas480m (£2.3m); and seeking further acquisitions in other European

made pre-tax profits last year of

Mills & Allen, whose 19,000 poster panels give it a similar share of the UK market, expects turnover for the year to June 30, 1988, to approach 234m, with pretax profits estimated at more than 50m.

Wellcome benefited in the first half from strong underlying growth in the US, continental Europe and Japan, where pharmaceutical sales rose by 26 per cent, 27 per cent and 33 per cent, expressed in local currencies.

Only about 10 per cent of Well-come's business is in Britain, while two fifths of sales are in the US, the company's biggest Trading profit for the first six

months was £100.1m (£84.9m). Net interest payable was £5.3m (£3.7m) and tax took £40.1m

prospect of a unified market in 1992, Mr Hollick said that it was

natural to look towards Europe for expansion opportunities. The company already operates in Hong Kong, Malaysia, Singapore and Australia.

More O'Farrall, MAI's major UK competitor also provides a full outdoor advertising service

in France and Belgium - the operations now contribute 25 per

cent of profits - and recently moved into Taiwan. The com-

Hillsdown sells 5.7% stake in **Bassett**

SHARES in Bassett Foods, the Sheffield-based confectionery manufacturer, yesterday slipped 5p to 226p on news that food and furniture group. Hillsdown Holdings, has sold its 5.73 per cent stake. Hillsdown emerged as a

shareholder in Bassett in early 1986, when Bassett shares were trading at around 160p. were trading at around 160p. The food group is thought to have suggested a friendly deal, but was consistently rebuffed by Bassett. Yesterday, Bassett chairman Mr Bev Stokes said that he could not "hand on heart" say that he was sorry to see Hillsdown leave the share register, but stressed that matters had remained friendly. Bassett's inviters helped place out the holding, mainly amongst institutional invesamongst institutional inves-

Meggitt expands US aerospace side via \$40m purchases

Meggitt Holdings, acquisitive specialist engineering group, yesterday announced an expansion of its aerospace and defence operations in the US through two purchases costing \$40m (£21m).

Meggitt Holdings, acquisitive value of \$5.1m.

Meggitt said the development of composites technology had led to major changes in the design of aircraft components and it intended to extend Plastic Fabrispecialist engineering group, yes-terday announced an expansion of its aerospace and defence operations in the US through two purchases costing \$40m (£21m). It is buying Plastic Fabricating, a Kansas-based manufacturer of

composite and metal bonded structural components from Cri-ton Industries for \$2m, and New ton industries for \$22m, and New York-based Ragen Data Systems, which makes engine and air data instruments, for \$8.5m.

Plastic Fabricating's products are used by both civil and military aerospace manufacturers, including Boeing, Bell Helicopters, General Electric and McDonell Douglas, for high technology components such as helicopter rotor blades and crashworthy crew seats.

Meggitt, which announced in March that it had signed a letter of intent to buy Ragen, said yesterday that definitive contracts had now been exchanged.

Ragen had a turnover of \$10.2m in the year to last September and pre-tax profits of \$1.2m. Meggitt's subsidiary, Negretti Aviation, is already a major supplier of instrumentation to European aerospace companies. In addition,

It made pre-tax profits of \$4.7m

BOARD MEETINGS

intended to extend reache rabit-cating's technology to its other acrospace companies in the US and Europe, most of which cur-rectly used conventional metal

technology.

Meggitt, which announced in March that it had signed a letter of intent to buy Ragen, said yesterday that definitive contracts

aerospace companies. In addition, Ragen is a significant supplier of in 1987 on turnover of \$17.3m, components for aircraft fuel and its assets have a net book systems - an area in which Megsystems — an area in which Meg-gitt companies have not previ-onsly operated.

Crown TV

Crown Television Productions Turnover \$2.54m for half year ended March 31 1988 (£1.83m) and profit £268,000 (loss £227,900). Earnings 1.8p (losses 2.4p).

French loss holds back Select rise

held back full year results of Select Appointments, although pre-tax profits still came out at \$1.91m, \$16,000 higher than the employment agency fore-cast when it joined the USM a year ago and up 62 per cent on the previous 12 months A 47 per cent tax charge of £912,186 contained no relief for losses amounting to £514,000 at Select France, which culminated in the department. ture of the area managing

ture of the area managing director in February.
But strong organic growth in the UK enabled carnings per share for the year to April 2 to come out 41 per cent higher at 9.40, on a fully diluted basis. There is a recommended final dividend of 1.50, making 2.50 for the year.

for the year.

About sixty per cent of the losses in the French division. which operates from four out-lets, arose from ten doubtful debts incurred by the Bor-

deaux office.

Mr Robert Klapp, chairman, said a thorough overhanl of management had been curied out at Select France since the dismissal of the managing.

Mr Klapp said operations both at home and abroad had made a buoyant start to 1968, with no signs of a recession.

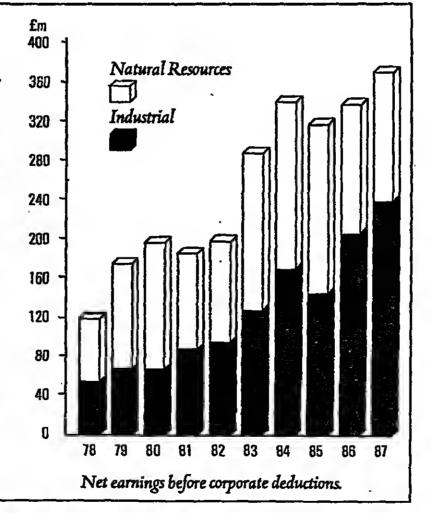
After the Monopolies and Mergany has indicated that it might be interested in acquiring some must sell 2,000 of its UK poster of the UK sites that MAI has to listed on the French stock sites by November, and with the buying 21 per cent of each other's capital. Mills & Allen is paying FFr 178m (£16.6m) for its stake in

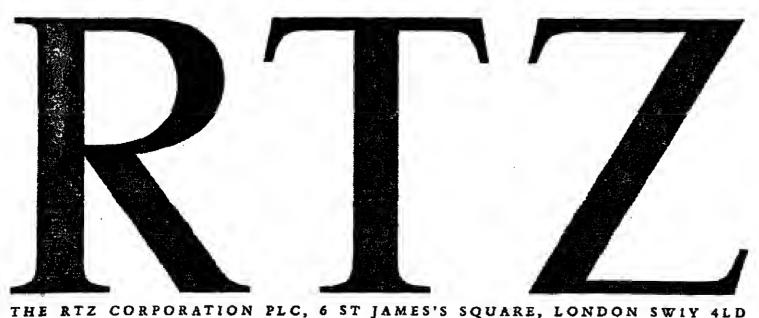
NATURAL RESOURCES AND INDUSTRY WORLDWIDE

EARNINGS PER SHARE - UP 14% **DIVIDENDS PER SHARE – UP 22%** OUTLOOK: METAL MARKETS HEALTHIER, INDUSTRIAL STRENGTH CONTINUES.

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Substantial growth in new orders at STC

LORD KEITH, chairman of STC, that unaudited results showed a quarter were all well ahead of last year. He said the order intake had started well with a substantial growth in new orders. The communications group had achieved an order book which covered 90 per cent of its anticipated annual turnover. Lord Keith said initial indications for the surrous year word. tions for the current year made it

meetings were:
At United Biscuits (Holdings), the chairman said the year had started well. Results in the first quarter were ahead of the same period last year and shead of

Professor Roland Smith, chairman of Hepworth Ceramic, toki members that trading in the year to date had been excellent and

told the annual meeting that significant improvement over the profits, sales and cash in the first equivalent period last year.

The meeting agreed to change the company's name to Hep-

worth.

First quarter results at Newman Industries had met the board's best expectations and, all being well, 1988 should be a year of farther development and growth. The holding company will in future be known as Avdel. possible for him to reinforce ear-lier expectations of a material improvement in profit for 1988.

Highlights from other annual

with the usual bias towards the

second half.
Trading in the first four months at Evens Halshaw had been very strong, and all markets in which the company operated were showing continued growth. The chairman of Bowster

Industries said sales, trading and pre-tax profit levels were com-fortably ahead of 1987 and in line ويوفوه والتعملان

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NORTH RHINE WESTPHALIA

The Financial Times proposes to publish this survey on:

JUNE 29th 1988

For a full editorial synopsis and advertisement details, please contact:

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FINANCIAL TIMES

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Floating Rate Subordinated Notes due 1989

Notice is hereby given pursuant to the terms and conditions of the Notes that for the six months from 9th May 1988 to 9th November 1988 the Notes will bear an interest rate of per 778% annum with a coupon amount of US\$ 201.25

London & Continental Bankers Limited Agent Bank

Telemetrix under S African control

Telemetrix, the loss making man-ufacturer of computer graphics metrix will become the group's monitors, yesterday unveiled a "flagship" company in e UK. major equity restructuring pro-posal that will see up to 60 per cent of its shares passing into the hands of Altron Group, a major South African electronics com-

Telemetrix, whose share dealings were suspended last week pending yesterday's announcement, also announced a pre-tax loss of £2.41m - on turnover of 15.68m - for the six months to January 3, largely due to excep-tional provisions totalling \$1.7m.

mated by the company at R3.5bn

The group has diversed interests in telecommunicains, elec-tronic components, formation technology and elect power generation. For the ar ended February 29, it report a pre-tax profit of R139m (E34) on turn-over of R1,565m (E32).

Mr Boy Cotterill hairman of Telemetrix, said in a announce-ment yesterday in Telemetrix will be built into 'major Eurotional provisions totalling £1.7m.

Altron (Allied Electronics Corporation), which is listed on the Johannesburg stock exchange with a market capitalisation estimated by the company at R2 Sho

executive of Telemetrix, subject to shareholders' approval at an extraordinary general meeting scheduled for June 1 this year.

approve the restructuring pro-posal which will involve the issue of 35m new shares to Altron at 21p a share - a 36 per cent discount on the 33p suspended price. This will result in a capital injec-tion of £7.35m from Aliron.

The shares will be subscribed by a new company, Titan Inter-national, to be incorporated in Guernsey and owned by a trust whose sole beneficiaries are Altron and its subsidiaries. whose sole beneficiaries are the sole beneficiaries are the sole beneficiaries are the sole beneficiaries.

Telemetrix shares yesterday fell initially to 29p but recovered to close unchanged at 33p.

He also announced that Mr be offered a one-for-four rights Snedden is to be appointed deputy chairman and joint chief written by Titan. This will raise a further £1.1m

The proposals, together with the loss provisions announced yesterday, will revamp Telemetrix's balance sheet. The company will have substantial cash. finance expansion through acqui-sitions and organic growth.

Commenting on the proposals.

Mr Coterill said that Telemetrix had looked for a partner to build np its modern manufacturing facility at Tewkesbury in Gloucestershire which Mr Snedden described as "the most magnificent I have ever seen".

Few takers for Dutch oil bid

SHV, the private Dutch industrial group, yesterday said that it had few takers for its 165p per share bid for Acre Oil and would return acceptance documents now that the offer had

The bld, for which shareholders representing only 0.4 per cent of the equity sent in acceptances, was intended to provide an underpinning for the value of the shares in the new independent oil company, which was formed from the oil assets of SHV and the Calor Group. SHV did not intend to acquire control of the com-

SHV held 40.2 per cent of Acre at the offer date. Acre shares yesterday closed at

Highcroft

Highcroft Investment Trust raised pre-tax profits from £498,978 to £528,786 in 1987. Earnings per share grew to 6.48p, against 5.86p, and the directors recommend a final dividend of 1.6p for a 2.7p

(2.45p) total.

Rodenhurst Estates, has agreed to purchase a freehold property at 269 Banbury Road, Oxford, for £1.5m cash.

French operations spark 64% growth at Nu-Swift

COST REDUCTIONS enabled Nu-Swift Industries, fire extinguisher manufacturer and disributor, to increase pre-tax profits by 64 per cent to £214m in 1987. The rise was achieved on turnover ahead by only 4 per cent to £134.3m.

Most of the improvement came in France, which accounts for nearly 80 per cent of profits. Rationalisation of distribution and administration lifted profits before interest and tax in that before interest and tax in that country to £20.7m (£12.5m). The UK contributed £5.5m (£5.1m) and other countries £98,000 (£79,000). Sterling's rise

taxable profits by £1.3m.

The group plans to concentrate this year on reducing the cost of production, most of which is

against the French franc reduced

Nu-Swift's 87 per cent owned French snbsidiary. Compagnie Centrale Sicli, raised £1.07m after tax through the flotation of 10 per cent of its own subsidiary General Incendie on the Second Market in Paris. Net of £300,000 in re-organisation costs, this resulted in an extraordinary credit of £780,000 (£1.78m debit). Sicli also bought out the 37.8 per cent minority in SIDES, another French subsidiary, for FFT 5.9m (£590,000) and acquired

Jitra downturn

at 0.5p for 1987.

Profit before tax fell to £171,000 (£255,000) after a loss of £1,500 a French regional operator, KO pany - Singapore Para Rubber The balance before contributed £54,000 (£42,000). Net interest paid fell to £1.8m

(£3m), and the tax charge rose bearing a household name is from 27 per cent to 45 per cent available for acquisitions on that with the exhaustion of carried-side of the Channel. This should not be strictly necessary, howforward French tax losses. Earnings per share advanced ever, since organic cash flow has by 28 per cent to 27.65p (21.66p). Put the group in surplus since A proposed final dividend of 8p the year-end. Now that France is nearly sorted out, Nu-Swift will will raise the total to 10p (7p). have to turn its attention back to comment

increasing the contribution from the UK where ACT could become The hottest days, alas, are probably over for Nu-Swift, but it should still spark some interest. Production efficiencies and reductions in central costs have set the stage for additional regional acquisitions in the UK where ACT could become a problem within a year, especially since the group would like to pursue its slightly more progressive dividend policy. The historic yield is now 5 per cent but prospectively is more likely to be regional acquisitions in the UK where ACT could become a problem within a year, especially since the group would like and France, and perhaps even an presumes pre-tax profits of £29m, opportunistic foray into the US, but the extinguisher market is and another easing of dividend definitely mature. The listing for cover. Much depends oo the cost General Incendie, its main of rationalising production and Franch brand, means that paper

Although earnings fell from 1.93p to 1.36p, Jitra Rubber Planta-tions is maintaining its dividend

(gain £90,000) on the sale of fixed asset investments. Income from investments came to £145,000 (£157,000) and the related com-

Singapore Para

With earnings rising from 1.53p to 1.93p in 1987, Singapore Para Rnbber Estates is lifting its dividend from 0.9p to 1.1p.

Turnover moved up to £652,000

Operating profit more than doubled to £235,000 (£111,000).

The balance before tax came to

Market float vilues Thorntons at £79m

CUSTOMERS of Thorntons, chocolate retailer and manufacturer, are about to discover a new offering amongst the rum truffles and

codice creams.
From tomorrow, 29,000 prospectuses for the offer-for-sale will be available in Thorntons' shops. The offer, launched by S G War-burg and Granville, values Thorntons at £78.6m

The company may have taken years to join the stock market but it could scarcely have chosen a more propitious moment to

float. The ritish chocolate industry is ader siege from all sides as fogn companies seek almost exclusively Thorntons' to buy mone-established confectionery and names.

Thornts' profits have been growing betantially in recent years a the company has increase the number of itsoutlets, imposed its manufacturing product's ty and widened its

May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for a minimum of 200 shares and must be received by Friday May 20 1987 were 26 18m and the confectioner for the equity. Around half of the confectioner for the equity and Granville are shared so given to find the confectioner for the equity. Around half of the confectioner for the equity around shared are shared by the confectioner for the equity around shared are confectioner.

Thornts' profits have been of the manufacturing the company around shared are confectionery for the equity. Around half of the confectionery for the equity around shared are confectionery for th

Theroup now has 201 retail the shares are on a prospective p

productity and widened its May 30 1987 were £6.18m and the must be received by Friday May range expecial products for key company is forecasting profits of 13. Dealings are expected to start seasor such as Easter and £7.4m in the current financial on May 24. A comment will the company in the current financial on the current financial on the comment will be comment

Henry Boot mkes £3m and restores didend

Henry Boot & Sons finished 1987 building and civil engineer with improved profits, earnings, and exact release to the sons and and asset values, and no gearing mance was disappointing but with that background and con-

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In 1987 this construction, rail- Private housing development way, engineering and propertyshowed further growth in sales group turned in reduced turnove and profitability. Progress on curof £153.37m, compared wit rent developments suggested that £180.5m, but lifted its pre-tr would continue. Property development from £2.41m to £2.99m, at opment made significant programmer from £3.65 in 10.42.45.

profit from £2.41m to £2.59m, a carnings from 36.50 to 42.4p.

The profit represented 2 ther recovery from the loss and the loss are to 50 but restored a difficult year, but to 50 but restored a difficult year, but to 50 but restored a difficult year, but to 100 in the following are the loss are the los

APPOINTMENS

Ansbacer board posts

National Freight Consortium, and director of its and director of its appointed from the properties of the newly-formed SEARS sports appointed its appointed managing director of mark hoard as director of field the newly-formed SEARS sports appointed its appointed managing director of mark hoard as director of field the newly-formed SEARS sports appointed in an again director of the quality sector, and in Control of the newly-formed SEARS sports and leisurewear division. He was increased selicitor, has become managing director of the quality sector, and in Control of the newly-formed SEARS sports and leisurewear division. He was increased the properties of the properties

tally to 100 in the following ar.

Mr D.H. Boot, chairman and development in the UK should improve prospects generally. Mr bile the climate for the Ucuastruction industry had gerally was starting to generate work and interest in urban light rail systems was increasing.

ill health / Mr Devid Baron. Mr
Wild was egional lirector.

MOORE STEPHENS has appointed as parters Mr Hugh Parry, in Nicholas King, Mr Philip Par, Ms Just Chrastek, and Mr Ji Mehta

Mr Hugh R. Syls, a founding partner of Seasage, has joined SHIPPING ANTINVESTMENT SERVICES.

Mr Anthony airo has been appointed for need production.

SURGICRAFT, Redditch, has appointed in Neil Gillespie as chairman following the retirement of Mr Device is also group chief executive of Echards, Leicester. Dr The Just I am pacock has been appointed Mr Mandrew Hinks as financial director. He will remain company sectary.

Mr Iam pacock has been appointed Mr Mandrew Hinks as financial director. He will remain company sectary.

Mr Iam pacock has been appointed Mr Mandrew Hinks as financial director. He will remain on the board as research director.

BARING SECURITIES has appointed Mr Karno Shiogai and Mr Alex Murray as assistant director.

CARLESS, CAPEL & LEONARD has appointed Mr Colin Patterboard Mr Habitat Mothercare director of Respect of the same ground director personnel.

CARLESS, CAPEL & LEONARD has appointed Mr Freddie Craig as appointed Mr Freddie Craig as

fidence, the directors are restor- g of settlements. The Southerning the dividend to its full 1984 impany continued its steady level of 14.5p, with a final of 9.5p. rogress.

Mr Bernard Jolle has been appointed a director the corporate finance deriment of HENRY ANSBACK & CO., from May 9. He'v' a director and head of capital arkets origination at Samuel misgri & Co. Mr Paul Boleswer joins on May 31 as a director the banking department. He assistant general manager in 6 banking division of Bangr Nationale de Paris.

Continue as executive chairman with special responsibility for overseas development and acquisitions strategy. Mr Gordon Hall, group sales director, becomes managing director, and is succeeded by the southern area sales manager Mr Brian Williams.

Mr Mike Hauck, managing director, has been appointed chief executive of MSAS CARGO INTERNATIONAL, Bracknell. He succeeds Mr Tum Loughead, who

Paris.

HOLROYD MAINE TOOLS & INTERNATIONAL, Bracknell. He succeeds Mr Tom Loughead, who will be returning to the US to become chairman of MSAS Cargo International igineering Group, has appointed Stuart France as sales dirfor. He was UK sales manag for Manurhin, a French madne tool manufacturer.

Mr Rogs Wild has been appointed def executive of INITIAL AUDMATE SERVICES following as retirement through ill health i Mr Dayld Baron. Mr Wild was egional lirector.

MOORE STEPHENS has been group financial projects.

director if Habitat Mothercare until 166 when he joined the Mayboy board. He is a non-exec appointed Mr Freddie Craig as native director of Storehouse, Natioal Freight Consortium, and director of its distribution and ricer companies.

The companies of the compa

was planning manager.

GRANYTE SURFACE CCAT as finance director at Selfridges.

INGS, Salford, has made the finance director at Selfridges.

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SIMON

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- New management at all levels
- Major acquisitions
- Elimination of loss-makers Growth in equipment and services
- £260m Yerevan contract

1988 - Moving Ahead

"Our future is an exciting one. We shall pursue every opportunity to improve the quality of our earnings, especially in new areas of business, to provide profits and earnings per share generation at more than acceptable levels.

I believe that the energetic action being taken within Simon will achieve these aims."

R E J Roberts, Chairman

For a copy of the 1987 Annual Report and Accounts please write to: The Secretary, Simon Engineering plc, PO Box 31, Stockport, Cheshire SK3 0RT

Australia tightens controls Warning of on its coal exports

export contracts, only 20 months after relaxing them.

The move by the world's largest only 20 months after relaxing them.

Mr Kerin rejected a call by trade unions to create a national est coal exporter follows recent coal marketing anthority.

disappointing price settlements with Japan, the main export market. The decision was disclosed in was not a solution to the market-tbe announcement of a new ing problems of the industry, he long-term coal strategy.
Mr John Kerin, Australia's

Minister for Primary Industries and Energy, said the administration of export controls would be strengthened within his departmarketing and technical panel would be established to advise

His department would also "develop and implement a coal marketing thrust" to complement the marketing activities of coal said there was a need for man-companies and other agencies. Its agement to accept more widely coking coal contracts with Japa-Bureau of Agricultural and the validity and benefits of union nese steel companies.

ing power.
Mr Kerin rejected a call by

coal marketing anthority.

Appointment of a bureaucracy to handle a commercial operation

But he did announce that the existing Australian Coal Consultative Council would be restructured into a new Coal Industry Development Council with wider membership. This would advise ministers on marketing, resource development, conservation, earch and development and

structural change.
On the industry's fraught industrial relations, Mr Kerin said there was a need for man-

THE AUSTRALIAN Government acted yesterday to tighten its begun gathering market intelligence to further boost its market ment, production and finance. job security, market develop-ment, production and finance. He acknowledged that, while there was a good deal of agree-ment on the overall strategy he was outlining, it had not been developed through consensus. "Some of the decisions made will not satisfy all elements of the

industry," he said. Yestarday's announcemant came 20 months after Australia relaxed its export controls over a range of minerals, reducing gov-ernment involvement in international negotiations and allowed mining companies to conclude their own deals with purchasers. However, it also gave the Australian Govarnment a res power to examine contract terms before granting final approval Earlier this year, Mr Kerin used this clause to defer approval of

US metal traders disciplined

BY NANCY DUNNE IN WASHINGTON

three of its members for violating

The details will not be made public for a month, but Mr Bruce Kaplin, a senior vice-president of A. Mark Precious Metals Inc., of California, said the ICTA bad expelled two members and censured a third for failing to make timely delivery on a contract.

More than one out of every 12

American adults has purchased dominated the US precious metals market. However, now brokers and banks are entering the field in ever increasing numbers, inantly college-educated men and excording to Mr Kaplin.

To protect investors and fend off any potential governmental off any potential governmental off any potential governmental of the US precious metals at some time. In the US precious metals market. However, now brokers and banks are entering the field in ever increasing numbers, inantly college-educated men and excording to Mr Kaplin.

The action comes at a time of investments at Platinum Guild 650 members strong — has creincreacing investor interest in precious metals and widespread publicity about "boiler-room" larly in jewellery — have rock. The programme has already had telemarketing swindles. For its part, ICTA requires that its mem- from 45,000 ounces in 1982 to are willing to submit to personal bers base marketing and advertising on truth; deliver all purto 280,000 last year. According to 'cbecks by Pinkerton Inc., the
chases promptly; grade all Johnson Mattbey, platinum security service.
tangible assets in keeping with investment sales in March this approved standards; and make year were up 60 per cent from required to provide consumers
prompt payment for returned January, with most of that with written disclosure of rare

NORSK HYDRO, Norway's big-

gest quoted company, said yester-day it would permanently stop

magnesium production at its

Porsgrunn plant from next Tues-

Communist world's supply.

Norsk's decision follows the

lution controls by the Norwegian

BY KENNETH GOODING, MINING CORRESPONDENT

imposition of more-stringent pol- die-casting foundries.

This will cost the output of the losure comes at a time 12,000 tonnes of magnesium or when demand for magnesium has more than 4 per cent of the non-Communist world's supply.

The closure comes at a time when demand for magnesium has been growing strongly, particularly from the aluminium and

Norsk's decision follows the iron and steel industries. Stocks dismissal of its appeal against the are also low at North American

Environment Ministry at its trolled by the producers who balance.

nomic calamity.

More than one out of every 12

goods.

According to a Johnson With brokers increasingly rechassed earlier ommending precious metals to commodities brokers.

plant in southern Norway.

It will cost NK 250m (about £22m) a year in lost exports and

NK60m (about £5m) in lost profit,

the company said. In 1987 it made a NKL83bn (£159m) net profit.

The market is tightly con-

Close Previous High/Low

COCOA Extonne

THE INDUSTRY Council for Tangible Assets (ICTA), the largest wake of the stock market coltion for coin and precious metals are legislated lts fifth anniwersery in Washington last week the stock market coltheir gold and gold coins is
also up. Between 1985 and 1997
investors worldwide increased
their gold boldings by 27 per
versery in Washington last week to the stock market coltended and industry association for coin and precious metals as a
media against inflation and ecotheir gold boldings by 27 per
versery in Washington last week to the stock market coltended and industry association for coin and precious metals as a
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media against inflation and ecotheir gold and gold coins is
media against inflation and ecothe stock market coltion for coin and precious metals as a
media against inflation and ecothe stock market coltion for coin and precious metals as a
media against inflation and ecothe s versary in Washington last week nomic recession as well as an cent. Over the same period, sales and for the first time disciplined insurance policy against eco- of new gold coins rose from 2.1m

nd more. off any potential governmental

Ms Andrea Gould, director of standard-setting, ICTA – now.

per cent in the past two months.

However, new production capacity will shortly come into

operation, including a Norsk

Hydro plant at Becancour, in Canada, which should start up in

the first half of next year with an

Norsk Hydro to close magnesium plant have been eliminating their dis-counts, effectively raising the price of magnesium by about 10 farm bill.

"Member states pay a further Ecu 30hn, while consumers pay another Ecu 40hn in prices which are four or five times what they are on world markets."

annual capacity of 40,000 tonnes, ture should not be seen in isola-Output should reach that level in tion and added that 70 per cent of duction-sharing terms of the deal, 1990 at which time Norsk reckons agricultural production was in the market will be more or less in some way "transformed" by where production-sharing agreeindustry.

further EC cuts in meat support

By Tim Dickson in Brusse

A WARNING that the European Community's beef and sheepment producers face further cutbacks has been sounded by Mr Peter Pooley, deputy director-general for agriculture at the European

Speaking at a seminar in Brussels organised by the Centre for European Policy Studies, Mr Pooley praised tha results achieved by reform in the dairy sector and claimed that the new measures recently introduced for other regimes – collectively known as stabilisers – were in most cases elegant and simple to

Contrasting the success of the dairy reforms with the disap-pointment of the changes in the beef sector, he did not mince his words. "The beef reform has sig-nally failed to meet its specification, to the extent that we are proposing interim adjustments to the interim reform, before pass-ing on to the definitive comple-tion of the task: beef is easy, in terms of seeing what is wrong, but it may be politically difficult to put it right.

Given these sensitivites, Mr Given these sensitivites, Mr Pooley did not spell outdetails of the new limits on guaranteed intervention buying likely to be proposed by the European Com-mission. Nor did he describe the extent of the problem, which can be illustrated by the more than 750,000 tonnes of beef in EC stores at the moment command stores at the moment compared with less than 600,000 at the end

On sheepmeat, where the cost of the EC regime has more than doubled in the last year, Mr Pooley said the situation was "hideously complex, on both the internal and external fronts."

The dairy outlook, on the other hand, was encouraging, with no significant EC stocks of skimmed milk powder, manageable butter stocks — "I expect them to be under 300,000 tonnes by the end of the year" — and rising prices on the international market.

Mr Pierre Mathlisen, of the Confederation of the Food and Drink Industries of the EC, was sceptical about the impact of

Mr Mathijsen said that agricul-

Bridget Bloom on a radical new aficultural economics study

If we stopped subsidising farmers...

support policies would pare nearly \$40hm a year from the US budget deficit and better the US external trade balance by some

In addition, developing counin addition, developing countries – hitherto thought certain to lose through agricultural liberalisation by the industrialised countries – would instead gain some \$26bn a year, while even the poorest among them could pay off some of their crippling foreign debts.

These are aroung the startling These are among the startling conclusions of a new set of studies, launched in London earlier this week. The Camberra Cen-

tre for International Economics, which fathered the studies claims that they are an important and innovative contribution to the cause of farm reform. director, says everyone knows that agricultural protectionism is a problem: the spiralling cost of farm subsidies, the multiplication of butter mountains and wine lakes and the distortions wrought to world trade are testimonic

But, he claims, the reason why so little has been done to solve the problems is lack of public awareness of the real macro-eco-nomic costs of agricultural pro-tection. Dr Stoeckel believes the new studies provide the "weight of evidence . . . which will con-vince people to demand reform from their governments."

The studies, which cover the

US, the EC, Japan, Korea and developing countries as a whole, have been published in the form of a readily accessible "over-

if THE RICH WORLD stopped subsidising its farmers, it would create jobs, instead of losing them. The European Community alone could have lost 3m jobs through the Common Agricultural Policy.

Moreover, abolition of farm support policies would pare nearly \$40hm a year from the US budget deficit and better the US whether the conclusions could nave politically acceptable. prove politically acceptable. Each of the studies asssur

the unilateral abolition of all farm supports, ranging from direct government aids to import restrictions and export subsidies. Computable "general equilib-rium" models were constructed to work through the effects of liberalisation on each economy

innovative contribution to the same token, abolition of protection could provide substantial Dr Andy Stoeckel, tha CIE's and often much more important

Assistant Secretary of Agricul-ture, noted that US high-priced support systems (together with the artificial shortages of land induced by the so-called land set that some \$50,000 new jobs hid aside programme) had encourfollow from a policy of liber a. aged over-capitalisation of land and farm assets. Some \$10bn could have been more gainfully employed in manufacturing, the

They also show the increasing

was in solute terms responsible for large growth in the deficit, feecole had noted. Professor Impson maintained, that while fence spending had doubled, in support had gone up by overlop per cent. Stop go policies on osting farm exports through go mment subsidy also implied cosfor the US external payments blace.

Within the uropean Community, the malcosts of the CAP's farm suppor have fallen on manufacture ontput and exports and tiven the rigidity of real wages, the EC — on employment, a studies conclude. By incring the cost of living, farm sulpt reduced the competitiveness manufacturing and jobs I been lost. If

electrical engineering tors increasing by 12 per cent.

As for developing countriest is assumed that liberalisation, the main industrial count. would lead to a 10 per cent aco the board rise in farm commod

resulting imports, which more foreign exchange could bring). If all these conclusions seem almost too good to lie true, where is the catch? Contributors to the London seminar (with had had no London seminar (wip had had no time for a thorough perusal of the studies)raised three principal criticisms. On the technical level, several wondered whether the models used had not overstated the figures — if not the general argument — for the macro-eco-nomic benefits that would flow from liberalisation. For example from liberalisation. For example, Dr Stockeel admitted that while the figure of 850,000 new jobs for

Germany was very much a iliberalisation on each economy studied.

Dr Stoeckel, opening the London seminar, suggested that the starting point was the contention that there was "no such thing as a free lunch". Agricultural protection had heavy and often unforced the same token, abolition of protection could provide substantial and often much more important agains elsewhere in the economy.

The simplest example might be abolition by Japan of protection on beef. This would result in higher US beef sales to Japan and more yen for the US with which to buy Japanese cars.

In the same vein, Professor David manufacturation that there was "no such thing as a fee lunch". Agricultural protection could provide substantial and often much more important gains elsewhere in the economy.

The simplest example might be abolision by Japan of protection on beef. This would result in higher US beef sales to Japan and more yen for the US with which to buy Japanese cars.

In the same vein, Professor David Harvey, head of Agricultural Economics at Newcastle University, but it "there are losers in all this." The point is recognised in the German study, which shows agricultural employment and output falling by 24 per cent and lead the world could 5 5 per cent. If the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. One of the stugs concentrated on Germanythe largest to the rest of the world could 5 5 per cent. In the Japanese survey, land values are estimated to drop nearly station argued that savings achieved would be more than to buy Japanese cars.

In the same vein, Professor to be abolished, all malgactu

multilateral negotiations on farm reform within the GATT suggested that all talk of unilateral action was politically unreal-

istic, several speakers suggested.
Clearly the arguments are only just beginning. But at least saminar participants were agreed that the new studies are an important original contribution to the contmuing debate.
* Macro-economic Consequ

of a readily accessible "overview", together with the technical papers which will be discussed later this month at a separate conference jointly with the American Enterprise Instiof Farm Support Policies. From

Swedish oil group signs Yemen contract vory Coast ready

INTERNATIONAL Petroleum Corporation, a Swedish-owned, Bermuda-registered company, has signed an oil concession agreement with North Yemen's Ministry of Petroleum and Mineral Resources covering 4,300 sq km in the Al-Jawi/Marib area. IPC will conduct field geology

and seismic operations to be followed by a programme of exploratory drilling, according to Mr Lukas Lundin, the company's vice-president for exploration. The concession is near Yemen Hunt Oil's Alif Field, which is currently producing some 130,000 barrels a day.

Mr Lundin declined to com-

ments are in operation suggest

bonns, with an initial produce earlier this year that an agree-tion-sharing ratio after recovery ment with the Soviet Union of costs of 70 per cent of output envisaged building a pipeline going to the government and 30 from the Shahwa area to Balhaf per cent to IPC, rising to an 80-20 on the Gulf of Aden. The \$470m ratio with higher levels of production, north Yemen is already a significant albeit minor product.

nificant, albeit minor, producer

of crude on a par with the smallest of the Opec producers. Output
from the Alif Field is expected to some years. Another round has reach 200,000 b/d this year, just been completed in Sana'a.

Recoverable reserves have been These have not so far produced stimated at 500m barrels. any tangible result, however, as In an adjacent area across the the political differences between estimated at 500m barrels. border in South Yemen, PMB/ the two states were too great.

Technoexport, a Soviet group, is But the two together could repreported to be producing some resent a significant volume of oil production within the next five Mr Saleh Abu-Bakr Bin Hus- years.

br diversification that IPC would have paid the sainoun, South Yemen's Deputy Government of Yemen np to Prime Minister with responsibil-\$500,000 (£268,000) as a signature ity for Minerals and Energy, said ISIDENT Felix Houphonet-Buy of the Ivory Coast has

d that in future his countryll no longer be able to rely on yee and cocoa as its princi-pal arces of export revenue, writh Nicholas Woodsworth in Abid

In cussions on Wednesday with r Ismail Serageldin, departental director of the World ok for West Africa and Centralfrica, President Houphonetigny said the Ivory Coest man ow prepare itself for agricultal diversification and agro-induial development.

Since therely 1980s, the country has fered diminishing export earlies as world prices for its proofs have tumbled.

Mr Seragin said the Bank was prepart to support Ivory

Coast diversiation efforts.

LONDON MARKETS

THE LONDON Metal Exchange zinc market tested fresh peaks yesterday a

prices continued to be buoyed by good demand and falling stocks. The cash position's £11 rise to an 18-month high 56(5 a tonne extended the latest upwa run to live trading daya during which a £30 gain has been accumulated. In dol terms the price was at the highest level since August 1974. Helping to maintain the momentum yesterday was confirmation of another production setback, this time at Outokumpu of Finland in its bulliah mood the market seemed to take little notice of the company's assurance that the problem nich may result in the loss of about 30,000 tonnes of output, would not affe supplies to custome market waa also strong, on speculative buying and covering against earlier ah sales. The cash position a 5140 rise to \$2.550 at the close wiped out the mode talls of the preceding two days.

SPOT MARKETS		
Crude oil (per barral FOB)		+ or -
Dubal	\$14 73-4 75	+0.115
Brent Blend	\$16.15-6.20w	+0 05
WTI.(1 pm est)	\$17 32-7.371	+ 0.00
Oil products INWE prompt d	elivery per tor	ne CIF)
Premium Gasoline	\$183-188	+ 1
Gan Orl (Soviet)	\$142-144	+ 1.5
Heavy Fuel Oil	\$77-78 \$156-158	+2
Naphtha <i>Potroleum Argus Estimele</i> s		+3
Other		+ or -
	\$445.75	+1.25
Gold (per troy oz) 4 Silver (per troy oz) 4	638c	+3
Pintinum (per troy oz)	\$517 10	+ 1.00
Palladium (per troy 02)	\$121.75	+ 1.25
Alumimum (free market)	\$2510	+ 120
Copper (US Producer)	102%-05%C	+ 2.125
Lead (US Producer)	35 Sc	
Nickel [free market]	840c	+ 30
In (European tree market)		-10
Tin (Kuala Lumpu: market)	17.36r 324.0c	+0.01 -0.5
Tin (New York) Zanc (Euro, Prod. Price)	\$1040	-0.3
Zinc (US Prime Western)	54c	
Cattle (live weight)?	112,18p	+ 1.55"
Sheop Idead weighOf	210 52p	+ 17.48
Pigs (five weight)1	73.45p	+2.17*
London daily sugar (raw)	\$222.85	-2.0
London daily sugar (white(\$235.0s	-2.5
Tate and Lyle export price	£225.5	-2.0
Barley (English tood)	21000	+0.5
Maize (US No 3 yellow)	C132 5	
Mhoet (US Dark Northern)	C92.25	
Rubber (spot)	65.50p	+050
Rubber (June) *	69.50p	+0.50 +0.50
Aubber (July) 🎔 Rubber (KL ASS No 1 June)	69.75p 1311m	T 0.30
		475
Coconul oil (Philippines)§ Palm Oil (Malaysian)§	\$530.0s \$412.5	+7.5 +7.5
Coora (Pfvlippines)§	\$360	- 5.0
Soyabgans (US)	£158.5	-0.5
Cotton "A" index	64 ISc	-0.05
Moollops 164s Super1	670p	+ 10
Ca tonne unless otherwise -cents/lb r-image//kg u-Api -cents/lb r-image//kg u-Api -chu s-May/Jun 1Maal Com ock prices " change from shysical market, \$CIF Rotter	r/May, x-Jun/J nmission aver a week ago, '	ul. y-Apr ago late WLondor

May	908	910	910 905
Jiy Sap	929 943	937 952	940 923 955 941
Dec	962	971	972 962
Mar	963	994	995 962
May	1002	1012	1013 1001
Jul	1020	1027	1020 1019
Turnove	ar: 4211 4	662) lots of	10 tonnes
lor May	4 : 1238.0	0 (1230.47)	per tonne). Daily .10 day average
May 5	1220.71 (218.01	,
COFFE	E Chonne		
	Close	Provious	High/Low
May	1047	1038	1048 1028
JΙγ	1070	1052	1070 1050
Sep Nov	1085	1071	1086 1070 1104 1091
Jan	1130	1115	1120 1116
Mer	1155	1140	1137
May	1170	1100	
Turnove	er: 4631 (20	100 lots of	5 tonnes s per pound) (o
4. Com	o. darly 137	9 113.92 (11	4.17); 10 day s
115.64	115.82).		
	0		
	\$ per ton		Mark II am
Raw	Close	Previous	High/Low
Aug	193.00	190.40 191.20	193.40 190.40 193.20 190.60
Clet Doc	193.00 193.00	101.00	190-20 190.00
Mar	194.60	193.00	194.60 193.00
May	195.80	194.00	
W714e	Close	Previous	High/Low
		- LAAKTING	Gracion
A		650	200 CF 200 CF
	232.00	230.00	232.50 230.00
Oct Dec	231 00 231.00	228.50 226.50	230.50 228.00 230.50
Oct Dec Mar	231 00 231.00 235.70	228.50	230.50 228.00 230.50 235.00
Oct Dec Mar Aug	231 00 221.00 235.70 238 00	228.50 226.50 235.00	230.50 228.00 230.50 235.00 237.00
Oct Dec Mar Aug Yurnow 1229 (1	231 00 221.00 235.70 238 00 er: Flaw 18 175).	228.50 226.50 235.00 93 (3672)lot	230.50 226.00 230.50 235.00 237.00 s of 00 tonnes;
Oct Dec Mar Aug Yurnow 1229 (1 Paris- 1	231 00 231.00 235.70 238 00 er: Flaw 18 175). White (FFr	228.50 226.50 235.00 93 (3672)lot per torne):	230.50 228.00 230.50 235.00 237.00 s of 00 tonnes; Aug 1330. Oct
Oct Dec Mar Aug Yurnow 1229 (1 Paris- 1	231 00 231.00 235.70 238 00 er: Flaw 18 175). White (FFr	228.50 226.50 235.00 93 (3672)lot per torne):	230.50 226.00 230.50 235.00 237.00 s of 00 tonnes;
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Oct Dec Mar Aug Yurnow 1229 (1 Paris- 1 Dec 13:	231 00 231.00 235.70 238 00 er: Flaw 18 175). Write (FFr 20, Mer 13 E. S/tonne Close	228.50 226.50 235.00 93 (3672)lot per tennel: 55, May 136 Previous	230.50 228.00 235.00 237.00 s of 00 tennes; Aug 1330. Oct 0, Aug 1365 High/Low 143.75 140.50
Oct Dec Mar Aug Yurnow 1229 (1 Paris- 1 Dec 13: GAS O	231 00 231.00 235.70 238 00 or: Flaw 18 175). White (FFr CO, Mar 13 E. S/tonne Close 143.50 140.50	228.50 228.50 235.00 83 (3872)lot per tonne): 55, May 136 Previous 142.00 138.50	230.50 228.00 230.50 235.00 237.00 s of 00 tennes; Aug 1330. Oct 0, Aug 1365 High/Low 143.75 140.50 140.50 137.50
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Oct Dec Dec Mer Aug Yurnow 1229 (1 Paris- 1229 (1) Dec 13 GAS O May Jun Jul Aug Sep Turnow Turnow May May	231 00 231 00 235.70 236 00 235.70 236 00 237 00 23	228.50 228.50 235.00 93 (3872)lot per torsel: 55, May 136 97evious 142.00 138.50 139.50 141.00 505) lots of	230.50 229.00 230.50 237.00 237.00 237.00 237.00 237.00 237.00 240.1330. Oct 0, Aug 1365 140.50 137.50 140.50 137.50 140.75 139.25 143.00 142.00 100 tenmes
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Oct Dec Mar Aug Dec Mar Aug 1229 (1 Mar 1229 (1 Mar) May Jun Jul May Jun Jul May	231 00 23	228.50 228.50 235.00 93 (3872)lot per torsel: 56, May 136 142.00 138.50 139.50 141.00 605) lots of Previous	230.50 228.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.55 240.50 237.50 257.50 255.50 25
Oct Dec Mar Aug Dec 132 GAS O	231 00 231:00 235:70 238:00 235:70 238:00 235:70 238:00 235:70 238:00 235:70 23	228.50 228.50 235.00 93 (3872)lot per torsnel: 55, May 136 142.00 138.50 139.50 141.00 160.30 101.00 103.40 106.10	230.50 228.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.55 240.75 139.25 140.50 137.55 140.75 139.25 143.00 142.00 100.395 103.40 100.20 103.45 1
Oct Dec Mar Aug Dec 13' GAS O	231 00 231:00 231:00 235:70 238:00 235:70 238:00 235:70 238:00 235:70 238:00 235:70 23	228.50 228.50 235.00 93 (3872)lot 997 tonnel: 55, May 136 9729.50 142.00 138.50 139.50 141.00 160.30 101.00 103.40 108.30 100.10 108.30 110.70	230.50 229.00 237.00 23
Oot Dec Mary Mary Mary Mary Mary Mary Mary Mary	231 00 221 00 235.70 238 00 235.70 238 00 235.70 238 00 235.70 238 00 235.70 23	228.50 228.50 235.00 93 (3872)lot per torsel: 55, May 136 142.00 138.50 238.50 141.00 141.00 605) lots of Previous 103.70 106.30 107.00 108.36 110.70 Previous	230.50 229.00 237.00 23
Oof Dec Mary Aug Dec Mary 1228 (1 1 1228 (1 1 1228 (1 1 1228 (1 1 1 1228 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 25	228.50 228.50 235.00 235.00 235.00 235.00 236.50 138.50 138.50 139.50 141.00 605) lots of 236.50 141.00 605) lots of 236.50 141.00 101.00 101.00 101.00 102.35 110.70 102.35 110.70	230.50 229.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.51 240.50 237.51 240.50 237.51 240.50 237.51 240.50 237.51 240.00 24
Oct Dec Mary Aug Dec 1229 (1 Virmow	231 00 221 00 235.70 238 00 235.70 238 00 235.70 238 00 235.70 238 00 235.70 23	228.50 228.50 235.00 93 (3872)lot per torsel: 55, May 136 142.00 138.50 238.50 141.00 141.00 605) lots of Previous 103.70 106.30 107.00 108.36 110.70 Previous	230.50 229.00 237.00 23
Oct Dec Mar Aug Dec Mar Aug 1229 (1 12	231 00 231:00 231:00 231:00 235:70 238:00 235:70 238:00 235:70 238:00 235:70 236:00 235:70 23	228.50 228.50 235.00 235.00 235.00 235.00 236.50 138.50 139.50 139.50 141.00 605) iets of 236.50 100.30 101.00 103.40 106.10 108.35 110.70 108.30 109.10 109.35 110.70	230.50 229.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 240.00 240.75 24
Oct Dec Mary Aug Dec Mary 1229 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 231 00 251 00 25 100 25	228.50 228.50 235.00 235.00 235.00 235.00 236.50 138.50 138.50 139.50 141.00 505) lots of 103.70 103.70 103.35 103.40 106.35 110.70 Previous	230.50 229.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.00 237.75 240.75 240.00 237.75 240.75 240.00 237.75 240.75 240.00 24

	MOTAL	EXCHA	MOT		(Prices sup)	alled by Amelgan	ated Metal Tradir
	Close		Previous •	High/Low	AM Offici	at Kerb close	Open Interes
Aluminis	or, 99.7%	purity (\$	per tonne)			Ring	turnover 100 ton
Cash 3 months	2540-4 2240-4		2405-15 2200-10	2230	2500-2 2230-40	2230-50	4,512 lots
			per tonne)				mover 18,525 ton
Cash	1357-6		1290-4	1358 .	1336-8		
3 months			1167-0	1188/1173	1183-4	1185-6	50,202 lots
Copper,	Grade A (Ring to	mover 26,650 ton
Cash 3 months	1200-4		1188-80 1124-5	1202	1202-3 1135-9	1138-9	70.507 lots
	Standard						ng turnover 0 ton
Cash	1150-0		1135-45		1155-65		
months			1080-100		1100-10		29 lots
	S comb/fi	ne ounce			632-3		Ring turnover 0 o
Cash 3 months	633-6		630-3 641-4		642-4	640-6	677 tota
Lead (£ p	er Ionne)					Aling (urnover 0,275 ton
Çash	335-40		341-4 329-30	343 330/327	343-4 330-1	327-8	10.855 iots
months	per tonne		329-30	330/32/	330-1		70,800 10ts urnover 1,962 ton
Camb	17400		17700-8000	18800/189	00 10000-700		
nonths		-14000	14100-300	14800/140		13900-14000	
	er kanne)					Ring to	rnover 12,700 ton
Caush months	014-6 606-7		603-5 597-8	619 610/603	616-7 607-8	606-6	18,149 lots
OTATO	ES Empno					LION MARKET	
	Close	Previou			Gold (fine qz)		£ equivalent
viey Nov	71.0	71,0 85.5	71.0 68.0	•	Close Opening	445 ¹ 2-448 445-445 ¹ 2	238 ¹ 2-239 238 ¹ 2-239
de	20.0	96.0	407 - 404 -		Morning for	445.35	236.730
Apr Vey	127.1	126,5 136.0	127.5 125.5 133.0	•	Atternoon fix. Day's high	444.85 445%-445%	238.142
	124 (177) lots of	100 tonnes.		Day's low	4442-445	
SOYABE	AN MEAL	£/tonne			Coles	\$ price	Sequivalent
	Close	Previou	s High/Low		US Eagle Mapielosi	450-462 450-462	246-249 245-248
len	127.50	127.50	127.50		Britannia Krugorrand	459-462	246-249 236-240
Aug Set	128.50	126.50 126.00	126.50 126.50		1/2 Krug	231-240	123 % - 128 %
Dec	130.50	181.00	131.00 130	.50	1/4 Krug Angel	114-122 457-462	61-653 ₀ 2443 ₄ -2473 ₂
umover	100 179) lots of	100 tonnes.		1/10 Angel	46-51	24 2 - 27 3
REGIT	FUTURE	\$10/Inde	tx point		New Sov. Old Sov.	104-k - 105-k 104-k - 106-k	56-56 1, 56-57
	Close	Previou			Noble Plat	631-536	284.7-288.5
Ry Oct	1329.5 1425.0	1257.0 1355.0	1340.0 1270				
len .	1430.0	1355.0	1430.0 1371				
lipr By	1497.5 1287.5	1375.B 1229.5	1487.5 1337.5 128	7.5	Silver Sx	prine oz	US cts equiv
)ři	1344.0	1338.0	1344.0		Spot 3 months	340.25 347.45	635-25 646.96
Currence -	1268 45	4)			Q months	354.95	658.00
	-cen les				12 months	372.10	666.75
FRURT	AND VE	TABL					
Souther	n hember	here app	les conitune id		LONDON MET	AL EXCHANGE T	NADED OFFICES
FFVIB. (Grapetruit	are up s	rogresses, repo slightly, with au	pplies	Akaralnium (00	.7%) (alts Pute
	MAN NEW S	eeson fru	its expected so ip a hulf pound	oon.	Strike price \$	tonne Jul	y Sept July Sep
	and Italia	n berries	now zvallable,	and	2050 2200	282	
Strewbe French		pineappid	ns are now in 11 2-50). The line		2350	182 108	
French some washops o	rt \$2,00-3.0	10 112 00					
Strawbo French some w shops o English	t \$2,00-3.0 asparegu	ទេសពេស	e shops this wa	eek at	Akanbikan (90	- Jac 6	Calls Puts
French some washops of English £1.50-24 carrots	t \$2,00-3.0 asparagu 00 Other from the l	is is in the new erriv USA 25-50	rals include ner Op, English and	m cuob	2050	254	
Strewbo French some w shops o English £1.50-2: carrots Spania	t \$2,00-3.0 asparage 00 Other from the I primo cat	is is in the new arriv USA 25-50 obege 20-	rais include ne Op, English and 30p and itsilan	w crop	2050 2200	264 109	186 47 187 128 99 263
Strawbo French : some w shops o English £1.50-24 carrots Spania 60-79p. (£1.40-2	t \$2,00-3.0 asparage 00 Other from the I primo cat Jersey ro .00) while	is is in the new arriv USA 25-50 bage 20- yals are o maincrop	rais include ner Dp. English and 30p and Italian down to 80p-£1. p potatoes rem	peus .40 ein	2050 2200 2850	254 169 100	189 47 187 128 96 263 85 179 366
Strawbe French some we shope of English \$1.50-2: carrots Spania 60-70p. (C1.40-2 plentiful	asparage asparage Of Other from the I prime cat Jersey ro .00) while I Ternator	is is in the new arriv USA 25-50 bage 20- yals are o maincrop as are do	rais include ner Op, English and 30p and itsilan down to 80p-£1.	v crop i pees .40 ein	2050 2200	254 169 100	166 47 187 128 96 263 85 779 365 Salic Puts

1				_		-								_		TIES PR			
	1	0	icag	CI	rel	die \$/ba	JE 9	10 42,000 U	OfL (Ligh	CRUDE		S	RKET	MA	US	ated Metal Trading)	iled by Amelgan	(Prices supp	
	4				W	High/Lo		Previou	Close		nrecion	died the	uying stee	local t	FARI Y	Open Interest	Merb close	AM Offici	High/Low
00% bust	_		DEANS 5,0	301/	17.23	17.44		17.20	17.94	Jun	der	came ur	markets	, but the	metals	turnovar 100 tonna	Ring		
gh/Low	_		Close	-	17,33	17.51 17.53		17.30 17.35	17.43 17.45	Jul Aug	mpting	ing , pro	trade sel	re from	pressu			2500-2	
2/4 6 9/0 6		684/2 694/2	699/4 698/4	May	17.39	17.43		17.34	17.39	Out	o of	the car	which, I	otteblup	long-lie	4,512 lots	2230-50	2230-40	230
6/4 E		698/4	703/4	Aug	17.98 17.40	17.42 17.40		17.30 17.29	17.40 17.35	Dec			Burnham			mover 16,625 tonne	Ring tu		
VO 7		708/6	708/0 714/2	Sep	0	0 17.36		17.28 17.27	17.35 17.35	Feb Mer	oted in	g was r	ouse buyi	ssion h	Commi	50.202 lots	1185-6	1336-8 1183-4	358 。 188/1173
¥4 7		718/4	722/2	_ Jan Mar	17.30			000 US gal			h volume	althoug	platinum	ver and	both si	mover 26,650 tonne		1149	
6 7		724/0 729/0	734/4	- May						- ALAIS			per came ig-liquidat			motor espain some		1202-3	202
70 7		730/0	736/0	Jul		High/Lov		Previous	Close	-			e to pene			70,507 lots	1138-9	1135-9	50/1135
1	C; C01	60,000 ibs	BEAN OIL (SOYA	46.30 45.80	46.80 46.35		46.20 45.65	48.65 48.05	Jen Jul	b es ti	were h	sell stops	nce and	resista	ng turnover O tonne	AI		
HELDIN	OUE.	Previo	Close	<u>.</u>	48.50	46,70 47,40		46.13 46.75	46.50 47.25	Aug			ds the clo					1155-85	
23. 2		22.62	28.01	May	47.25 47.00	48.05		47.37	47.50	Sep Oct			use buyir x, but pric			29 lota		1100-10	
23.4 2		23.03	23.37 23.57	Jul Aug	48.45 49.10	(8.55 (9.10		47.97 48.57	48.45	Nov	al buying	fore loc	selling be	d trade	fund an	Ring turnover 0 aza			
23.86 2		23.40	23.72	Sep	49.30	9.50		48.82	49.73	Jan	offee	teady. C	t values s	ows kep	at the k	677 lots	540-5	632-3	
24.00 2 24.32 2		23.52	23.87 24.16	Dec	49.00 47.75	49.20 47.75		40.62	49.20 47.75	Feb Mer			nued sho			urnover 0,275 tonne		464	
24.30 2		23.83	24.22	. Jen Mar	4.15		_		10 tonnes				ruying wa possible (rang) (343-4	
M.50 2		24.21	24.50	May		ligh/t.bu	_	Previous	Close		ply.	se of sup	y tightne	near	reflection	10,856 lots	327-8	330-1	1327
445 2		24.25	24.60	Jul	1574	576		1501	1676	May	and	ruidation	ith long-li	sased w	Coppe e	umover 1,962 tonne	Filing t	_	
	\$/ t o	L 100 toe:	EAN MEA	SOYA	1576 1503	828	. 3	1623	1006	Jul	50 as	dons clo	owing Lored to hold	ting foll	protitial				00/18S
igh/La		Previo	Close		1620	672		1640 1608	1624	Sep	n Labor Hight	e narra	ed to note to the car be	vor mik	gains.	6,680 tota	13900-14000		10/140
05.3 2		203.6	204.2	May	1660 1683	692 i	1	1705	1890	Dec Mar	buying b	ighs and	ng at the	de selik	with tra	mover 72,700 tonne	Ring tu		
04.4 2	- 2	202.5	203.2	Jul QuA	0		9	1731	1717	May	In T	rallied	tie future	ws. Ca	at the k	****		616-7	
150 2	2	203.7	203.9	Sep	4			1756 1781	1767	Jul Sep	ut the	rices, b	ner cesh	e to fire	respons	18,149 lots	606-6	607-8	603
5.5 2 8.0 2		204.0 206.5	204.0	Dec	\ 		a/Ros	Olbs; cents	C 37.50	COFFEE	SIDIE	a or bos	old by fee		acivance future o		LICH PLANEET	I COUNTY TO	
B.O }	. 2	207.0	206.8	Jim		Hgh/Low	. ,	Previous	Close										
CO . 3		208.0	209.1	May	732.51	33.79		132.34	133.30	May				, Yo	Mex	£ equivelent		Gold (fine qz)	
			5,000 bu m		124.50	35.75	1	134.46	135.53	Jul			S/troy az.	0 troy oz.	GOLD 10	239 ¹ 2-239 238 ¹ 2-239	445 ¹ 2-448 445-445 ¹ 2	Close Opening	
		Previou	Close		120,10 13785	37.50 36.75		135.67 137.55	138.50	Sep Dec		High/Lov	Previous	Close		236.730	445.35 444.85	Morning fix	
dt/Low			203/0	May	13825	30.00	1	138.03	139.00	Mar	0	0	444.8	445.4	May	238.142	445-146-14	Atternoon fix. Day's high	
5/0 2 2/8 2		205/0 213/2	211/2	Jol	139 JC 139 JD	39.00 39.50		139.88 139.50	136.86	May	445.8	448.0	446.0	447.0	Jun		444-2-445	Day's low	
W6 2	21	219/6 : 227/6	217/8 226/4	Sep	0		ā	140.50	138.00	Sep	0 450.2	452.2	465.8 451.0	449.2 451.5	Jul Aug	2 equivalent	\$ price	Coins	
5/0 2 5/0 2		236/0	235/0	Mar	• 1	cents/It	O liber	112,000	WORLD "	SUGAR	455.4	457.2	465.7	456.3	Oct	246-249	459-462 450-462	US Engle	
D/S 2	*	241/0 243/2	240/2 242/4	May Jul	7	Hgh/Low	5 H	Previous	Close		460.0 0	462.3	460.5 465.5	481.3 486.4	Dec Feb	245-249 246-249	459-462	Mapieleef Britannia	
3/4 2		nin; cents			8.53	47		8.29	8.43	Jul	0	0	470.5 475.7	471.5 476.8	Apr	238-240 123-k-128-2	444-447 231-240	Krugorrand 1/2 Krug	
	_	Previou	Closs		8.45	.80	8	8.46	8.56 8.20	Oct Jan	<u> </u>	. —	car S/tray o		Jen au Arrant	61-653	114-122	1/4 Krug	
hyLow		301/4	295/5	May	8.57 \	.69 .75		8.59 8.62	2.58	Mar		High/Lov	Previous	Close	PLAIMU	244 34 -247 32 24 32 -27 32	457-462 46-51	Angel 1/10 Angel	
4 2		210/6	306/2	Jul	8.65		ő	8.75	8.70	May Jui	<u> </u>	o O				56-56 %	104-4-105-4	New Sov.	_
12 4		318/2 328/6	314/5	Dec	0			8.85	8.56	<u>0er</u>	520.5	524.5	517.3 520.8	517.7 521.2	May Jul	56-57 284.7-288.5	104 ¹ 4 - 106 ¹ 4 531-538	Old Sov. Noble Plat	_
20 3		335/4	332/0	Mar				ents/fbs	50,000; ca	COTTON	526.0 533.5	528.5 526.0	526.4 532.7	526.8 533.1	Oct			10000 (122	_
36 g		334/4	339/0	May		igh/Low	. Тн	Previous	Close		993.5	0	588.7	536.1	Jen Apr				
<u>• ~</u>	_		TTLE 40,00	PIAE C	86.60			68.75 62.28	66.97 62.17	May Jui	<u> </u>	<u>•</u>	545.5	546.9	Joi	US cts equiv	p/line oz	Silver Sx	
ligh/ligh		Previous	Close	}	81.85 50.85	P.10	5	58.17	56.75	Oct			cz; cents/tro		SILVER 5	635.25	340.25		
2.25 B.62		71.60 88.25	72,10 68,67	7.	51.67 57.40	25	8	56.94 57.65	57.23 57.83	Dec Mer		High/Lov	Previous	Close		646.96	347.45	Spot 3 months	
8.35		97.80	68.10	2				,000 ibs; or			634.0	637.0	632.7 636.2	632.7 638.2	Mey	658.00 666.75	354.95 372.10	0 months 12 months	
9.00		68.77	69.00 68.62	Fee		igh/Low	_	Previous	Close		841,5	\$46.D	640.5	640.5	.kd				_
0.00	2	69.75	89.80	Apr\	120.00		_	172.00	170.90	Mary	651.0 665.0	954.0 688.0	548.9 862.6	643.5 662.6	Sep Dec				7
9.75		69.50	69.65	\rightarrow	175.50 166.00	58.CO	10	168.35	106.20	Mey Jul	0	0	667.D	667.0	Jan	ADED CPTIONS	L EXCHANGE T	LONDON MET	- [
			GS 30,000 I		162,65 158,00	54.20		764.50 159.75	162,80 158,35	Sep Nov	830'0 0	Q 990.0	678.6 685.1	676.6 686.1	Mar May	alts Pute		Aluminium (DD	
Gh/Low		Previous		-	163.25	54.80	74	154.90	158.50	Jen	700.0	700.0	696.2	696.2	Jul	Sept July Sept		Strike price \$	1
1.70 1.45		50.45 50.42	01.68	Jun Jul	0		0	154.25 154.10	153.50 153.50	Mar May	<u> </u>	<u>•</u>	708.4	706.4	Sep	210 38 154		2050	- [
1.20	4	48.50	49.12	Aug	5		ō	154.15	153.50	Jul		Mars	Cents/lbs		COPPER	145 00 205	182	2200 2350	ł
.42		43.82 44.90	K.17	Dec						DEDIC		High/Lov	Previous	Ciose		98 181 334			1
.10	4	45.00	E 15	Feb	1000	1981	Ar 19	: Septembe		_	96.60 0	\$6.50 0	97.60 95.35	90.50 93.95	Mey Jun	elis Puts		Aksahikaa (90.	, [
4	ents/	DOO Hous co	ELES 38.0	PORK		nth ago		May 3	May 4	1	90.50	\$2.90 86.50	92.35 89.10	90.70	.bd	166 47 187 128 96 263	254 169	2050 2200	
gh/Low	B H	Previous	Ope	J	1576.3	22.3		1722.1	1723.4	! —	87.50 84.00	85.50	185.10	87.50 83.80	Sep Dec	85 179 365		2850	J
45 :		51.17		May				se: Decem			0 82.50	0 85.80	184.25 182.75	83.10 81.70	Jan Mar	alic Puts	A) C	Copper (Grade	1
.77 (01.56 50.52	01.4	Aug	127.61	0.95		128.37	126.52	Spot .	0	0	782.00	50.90	May Jui		195 138	2000 2100	·
.96	61	60.37 60.20	69 4	. Feb Mar	126.33	M.54		132.16	132.44		0	0	61.50 01.00	80.40 79.90	Jul Sep		738 89	2100 2200	
	4	01.50		May			_		-	Щ_	-	-							
.00 6	0																		

مَكِدُ ا مِنَ الدُّهِ إِ

FOREIGN EXCHANGES

Dollar and pound nervous

TRADING ON the foreign exchange market remained uneventual yesterday. The dollar strong, fears will increase that the US is continuing to suck in and sterling had an underlyingly nervous tone, but dealers were not prepared to put too much pressure on either currency.

The dollar and pound appear confined to a fairly narrow range at present, after both have failed visconic and to SFr1.3995 from SFr1.3995, but rose to FFr5.7150 from FFr5.7050

Dealers looked for an attack on DM1 6830 by the dollar on Wednesday, and also suspected sterling might consolidate above DM3.15, after last week's better and improved to SF2.6125 from than expected UK trade figures SF2.61 and to FF10.677 from for March.

for Merch.

The dollar fell below DML88

yesterday, and at no time threatened to move much above that level, while the pound moved strings index was unchanged towards the downward support.

D-MARK - Trading range level of DM3.1250, but finished a against the dollar in 1988 is little firmer on the day at 1.720 to 1.5850. April average TM3.1250 compared with 1.5220 Exchange rate index DM3.1350, compared with 1.6720. Exchange rate index DM3.1325. 148.8 against 150.8 six months

Dealers see technical support ago.

The D-Mark was little changed to increase UK DM1.6775, compared with interest rates if the pound's slide continues towards the DM2.10

148.8 against 150.5 Mx mounts ago.

The D-Mark was little changed in Frankfurt, The dollar closed at the encouraged to increase UK DM1.6775, compared with interest rates if the pound's slide continues towards the DM2.10

In the day the Bundesbank did not intervene, when the dollar

There were no fresh fectors in There were no fresh factors in the market yesterday, as dealers waited for today's publication of US employment data for Amil.

According to a survey by Money Market Services non-farm payrolls are expected to rise 255,000, indicating that the US economy remains broyant.

Other figures released this week were well above the general level of forecasts, suggesting sustained economic growth.

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May 5	Lates		Previous Close
I mostle 3 mostle 12 mostles	1.8645-1 8.15-0 0.53-0 2.20-2	9685 1. 13pm 1 49pm 10pm	8640-1.8650 0.14-0.136 0.52-6.496 2.23-2.156
STERLIN			the US doll
		May 5	Previous
8.30 ans		. 77.9	78.0

CURRENCY RATES

CURRENCY MOVEMENTS

OTHER CURRENCIES

MONEY MARKETS

Keen sellers of bills

INTEREST RATES held steady on the London money market specification, but underlying sentitives age of £400m, but revised this to £700m at noon. Help of £710m ment pointed towards higher bank base rates, with dealers suggesting a slide in the value of sterling may soon enable the authorities to endorse a rise.

Three month interbank cased slightly to \$%-\$% p.c. from \$1-8% p.c. fro

Trees April 11

soon be used as a reason to lift in the afternoom.

On the other hand it was noted that the US Federal Reserve surprised dealers in New York by that the US Federal Reserve surprised dealers in New York by the chartes back them lands to the control of the contro

adding temporary reserves to the hanking system, through four day system repurchase agreements. The Fed was not expected to add liquidity yesterday, and may be indicating it is not yet cles were left unchanged, with ready to tighten its monetary stance.

In Frankfirst call money eased to \$25 p.c. from 3.30 p.c., in comfortable credit conditions.

At yesterday's meeting of the liquidity yesterday, and the discount rate at 2.5 p.c., and the discount rate at 4.5 p.c.

Money was in good supply in \$200.

FINANCIAL FUTURES

No reason to move prices

provided no more activity on remain strong, which may put Liffe, but Treasury bond prices in upward pressure on interest Chicago tended to edge higher rates, on fears about inflation after an unexpected addition of and the US trade deficit.

12.80 8.20 4.80 2.50 1.30

FUTURES TRADING was very subdued in London yesterday. Volume in long gilts was only around 12,400 on Liffe, compared with over 20,000 on Wednesday, as dealers failed to find any reason to move prices. It was much the same story in three-month sterling deposit futures, June three-month sterling deposit futures, below the days's high of 91.20, and unchanged from Wednesday's liftle changed from Wednesday's liftle changed from Wednesday's Reserve. This suggested to the market that the Fed is not previous as sterling declined below DM3.18 on the foreign exchanges. The from today's announcement of pound's recovery in the afternoon pushed sterling denominated contracts higher Dollar interest rate contracts farm sector are expected to remain strong, which may put inflation after an unexpected addition of and the US trade deficit. was fixed at DM1.6772, against DM1.6809 previously.
In Paris the D-Mark was firm, breaching resistance against the French franc at FF73.40, without any sign of intervention by the Bank of France.

There was growing pervons.

There was growing nervousness about the result of the French presidential election at the weekend. In general traders expect President Francois Mitterrand to be returned to office, in spite of the success of his opponent Mr Jacques Chirac, tha Prime Minister, in freeing French hostages from Lebanon and New

IFFE \$/5 0PT100S 25,000 (cents per £7)

LONDON (LIFFE)

isme total, Calls 0 Pers 0 s open int. Calls 464 Pers 191

Close High Low Pres. 178 10 179.25 178.00 179.20 179.50

CURRENCY FUTURES LEFFE-STERLING £25,000 \$ per £

Close High Low 1.8650 1.8645 1.8630 1.8535

The D-Mark closed at FFr3.4045 in Paris, compared with DM3.3985 on Wednesday, the highest level for the German currency since

News that the French trade surplus in March was FFr1.8bn, compared with FFr5.2bm in February, came too late to affect the In Milan the Bank of Italy sold

The D-Mark was little changed an estimated DM70m and about 1.6775, compared with 1.6805 on Wednesday. Earlier the day the Bundesbank did intervene, when the dollar from 1.744.10 on Wednesday.

FFr10.6375, but fell to Y232.50

	Esm central rates	Carrency amounts - against Ecu May 5	% clange tron central rate	% change adjusted for divergence	Dhergener Balt %
r Franc Kreen D-Black Franc Cellifer	42.4582 7.85212 2.05853 6.90403 2.31943 8.768(11 1463.58	43.25% 7.96565 2.07248 7.05671 2.33894 0.777311 1547.53	+211 +1.70 +0.58 +2.21 +0.24 +1.16 +4.31	# 100 00 00 00 00 00 00 00 00 00 00 00 00	±1.5344 ±1.5404 ±1.0401 ±1.3674 ±1.5012 ±1.4684 ±4.0752

OUND	SPOT-	FORWARD	AGAINST	THE	POUND

May 5	Bay's	Close	One manth	9.2	Tirte moeths	7 2
15	1.8650-1.8685	1.8665-1.8675	0.14-0.11000	0.80	0.51-0.46pm	1.04
	2.3005-2.3055	23095-23045	0.14 0.24cdb	-0.99	0.33-8.46dls	-0.69
letherlands	3.50% - 3.52	3.51 - 3.51	11-11-com	4.05	34-3½pm	4.20
elgian	65.30-65.60	65,40-65,50	16-6cm	2.02	46-32pm	2.38
leomark	12.044 - 12.08	12.07-12:08	4-24 oreas	1 149	3-41-65	-1.28
reland	13735-13760	1.1745-1.1755	6 06-8 12mms	-0.92	0.21-0.3665	-0.97
V. Germany.	3.124-3.134	3.134 - 3.134	14-1-prices	287	4-35-pm	4.86 -2.81
ortegal	255.50 - 256.80	25550-25650	50-100cms	3.52	175-2850s	-2.81
oald	206.65-207.40	206.90-207.20	26-36cffs	-2.80	83-96als	-1.73
ady	23284 - 23424	23414 - 23424	2%-41-Hendis	1.60	94-1406	-199
DEWAY :	11.48-11.52	11.49% - 11.58%	5%-65 aredis	-6.20	1512-16 4 dis	-5.63
CHECK	10.63% - 10.67%	10.66% - 10.67%	nor-Surels	-0.35	mar-less	-0.19
and the contract of	10.951- 10.98	10.96% - 10.97%	2-23 medis	-2.67	53-62-dis	-2.16
	. 252-233	232-233	1-Saypen	419	24-2400	4.41
astria	21.97 - 22.02	21.98 - 22.03	27a-77-11-100	4.33	26 k - 24pm	4.61
witzerland	2604 - 2614	2604 - 2614	112-11 tepes	6.03	4-35 per	5.84

May 5	Day's spread	Clate	()ec jamel	1 N	Three mouths	7
NC+	1.8650 - 1.8685	1.8665-1.8675	0.14-0.11cpm	0.80	0.51-0.46pm	1.0
el-d*	2.5880 - 2.5920	1,5825-1,5895	par-0.05offs	-0.19	par-0,154k	-0.2
words	1,2920 - 1,2345	1.2530 - 1.2340	0.17-0.20cdls	1.80	0.52-0.556b	-1.7
etherlands	1.8780 - 1.8635	1,8825-1,8835	0.50-0.48cpm	3.13	1.52-1.46cm	13
telgheet,	35.00 - 35.25	35.00-35.10	4.50-2.50cm	1.20	14.00-10.00mm	1.3
COUNTY	6.45-6.47	6.464 - 6.47	1.25-1.850 reds	-2.B8	3.45-4.0566	-23
Germany.	1.6750-1.6795	1.6785 - 1.6795	0.55-0.50ptpm	3.76	1.62-1.57pm	3.0
mtagqi	1374 1374	1372 1374	45-60cds	4.59	340-190ds	-4.8
ries	110.70 - 111.15	111.05-111.15	15-25alls	-2.17	70-804s	-2.7
7	125012 - 12544	12544 12544	2.00-3.00 harks	-2.40	6,50-10,50ds	-3.0
-		6154 6164	3.40-3.75oroda	-6.96	20.10-10.500	-6.6
	5.70 - 5.72	5714 - 5714	0.40-0.60cdls	-115	1.45-1.750s	-11
eden	5.864 - 5.88	5.87% - 5.88	1.60-1.80oreds	-3.47	4.55-4.85ds	-3.20
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	11.77% - 11.80%	11.80-11.80-2	3.35-3.05groom	3.25	10.00-4.00pm,	3.2
ottacriant	1:3940 - 1.4000	1,3985-1,3995	0.61-0.56cpm	5.03	1.77-1.72pm	5.00

EURO-CURRENCY INTEREST RATES								
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LONDON MONEY RATES

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Stance.

Discount houses in London

Mency was in good supply in

Were obviously nervous of a rise
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in interest rates, and were keen
built up their reserve holdings at
sellers of long dated bills. This
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berday. On Tuesday reserve holdlegical to the authorities at a
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The Bank of England initially

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Company Notices

GRAND METROPOLITAN **GRAND METROPOLITAN** INTERNATIONAL FINANCE

To: The holders of the:-

Grand Metropolitan **Public Limited Company**

> £100,000,000 61/496 Subordinated Convertible Bonds due 2002

Grand Metropolitan International Finance Public Limited Company £50,000,000

10%% Guaranteed Notes 1990

Copies of the Annual Report and Accounts of each of the above-mentioned companies are currently available at the address shown below, which is the registered office of both companies.

11-12 Hanover Square, London W1A 1DP.

Hertfordshire

The Financial Times proposes to publish this survey on: 27th May 1988

Rachel Fiddimore a 01-248 8000 ext 4152 or write to her at: Bracken House 10 Cannon Street London EC4P 4BY FINANCIAL TIMES

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SWIW OBD

Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO FT 30 FTSE 100 May 1414/1426 -9 May, 1770/1782 -7 Jun. 1415/1427 -9 Jun. 1772/1784 -6

Prices taken at 5pm and change is from previous close at 9pm

Canadian Pacific Limited

92.36 91.68 91.66 91.49 91.34 91.19 91.05 98.93

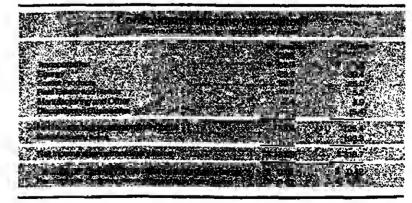
anadian Pacific Limited's earnings per Ordinary share increased 45% to 61 cents in the first quarter of 1988. This compares with 42 cents before extraordinary items in the first quarter of 1987. Consolidated net income in the first quarter of this year was \$183.9 million compared with \$125.4 million before extraordinary items in the first quarter last year.

EARNINGS. PER SHARE

92.98

UP 45%

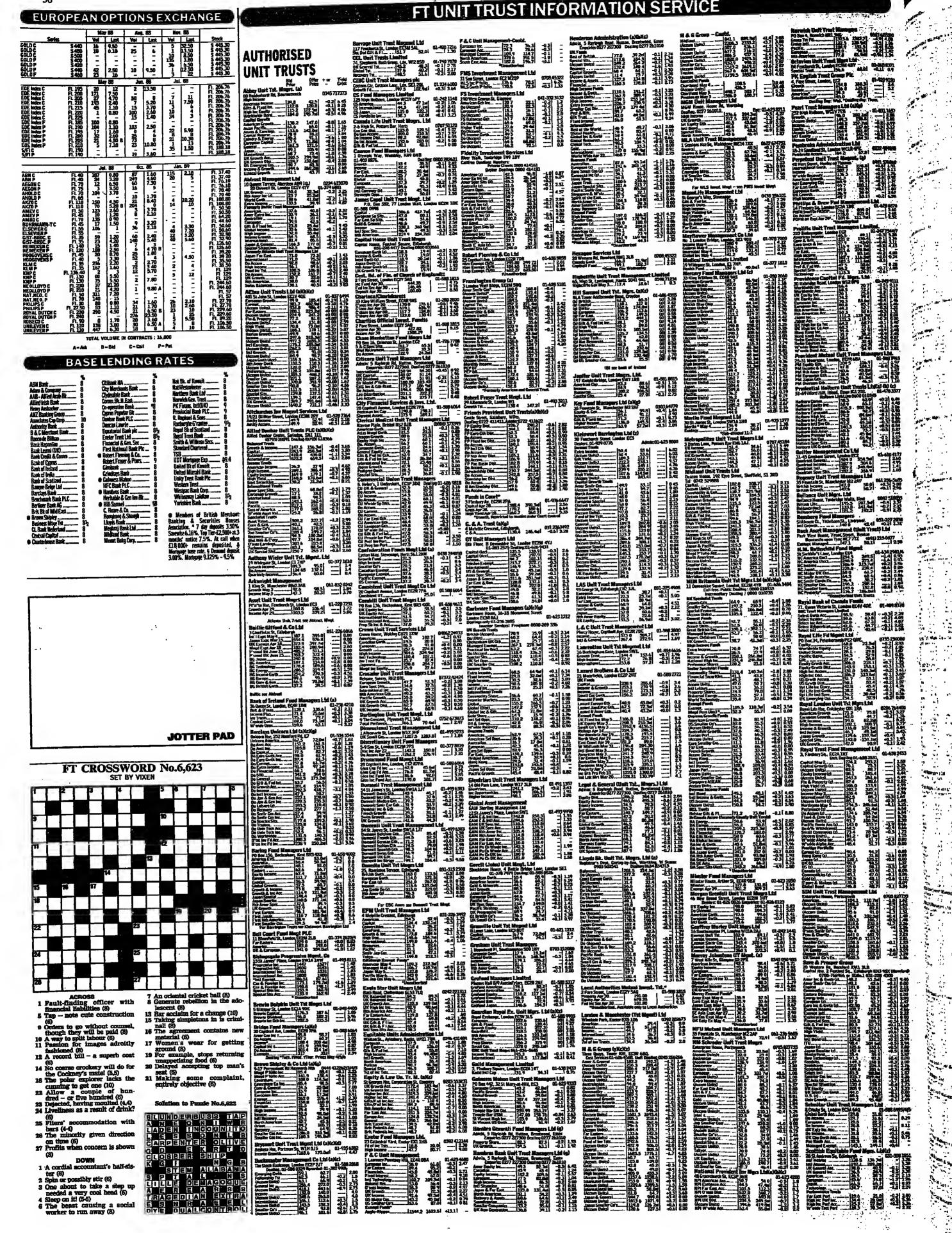
Forest products, rail, bulk shipping and steel operations made the biggest contributions to the higher first quarter earnings. Increased income was also produced by the real estate and hotels sector.

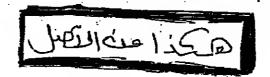


Canadian Pacific Limited's earnings increased sharply in 1987 and further increases are anticipated this year. Demand for pulp and paper, steel products and transportation services is strong and coal markets have improved.

For mere information, please write to Series Kear's Section Prencial Services Europe, Canadian Pacific Limited, Southside, 165 (in Series Street, London SWTE 6C)T

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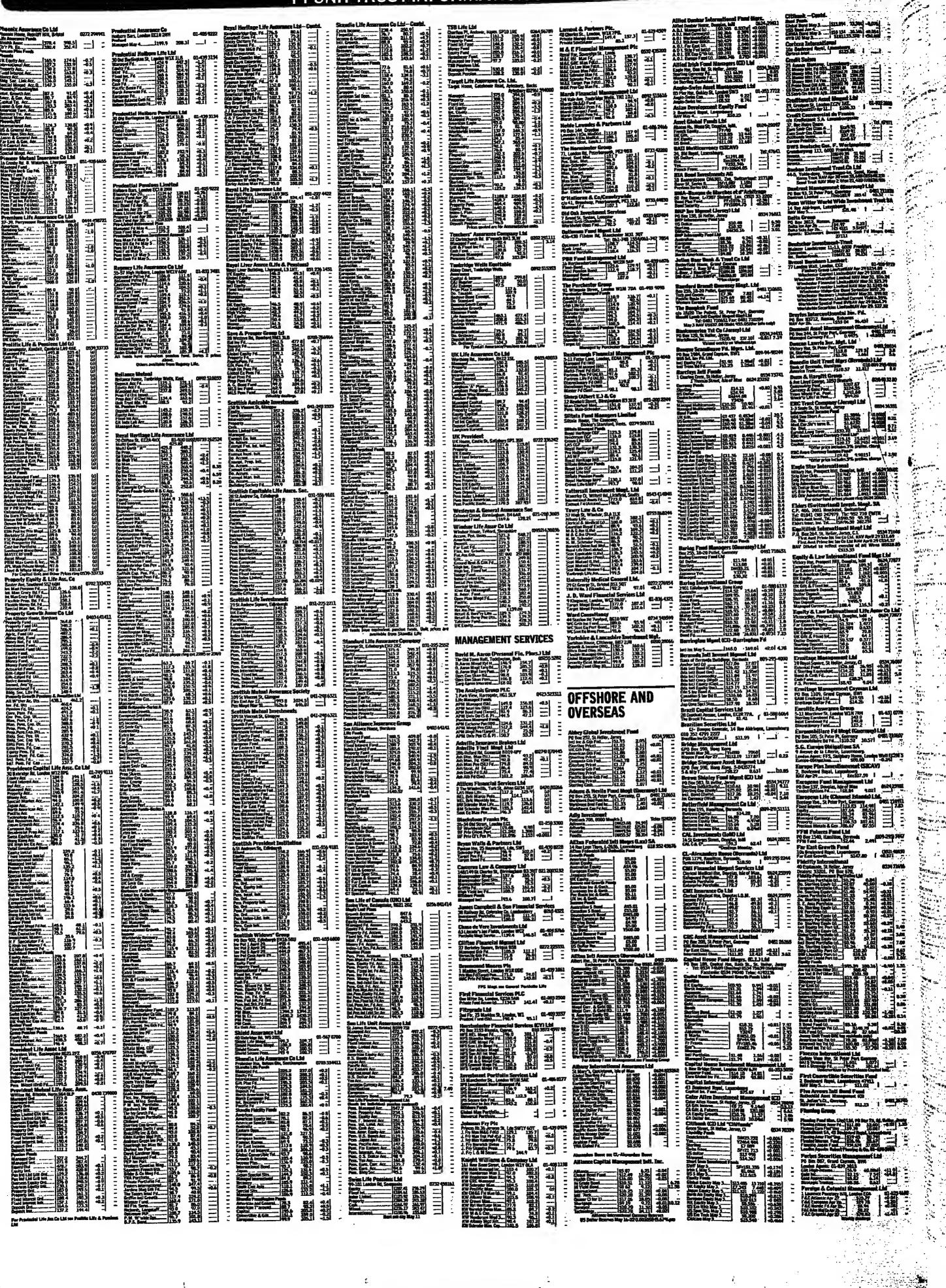




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39 · **FOREIGN BONDS & RAILS BRITISH FUNDS - Contd BRITISH FUNDS** Price + m Yipid 5 - mt. Rei, 87 1 -1 8.91 9.04 127 8 -1 9.62 9.19 Price + or Yight . | Percent & Criscial Passes | New Faul | ADVIT | 750 | ADV Liberty ALL-STAR Wards Equity Pertfulio 2. Bookeans Regule, Langestony Tel: 252-4791. Lirights Banch (ED) 11/T Mayes. PO Sen 195. 54 Heller, Jersey Lings Hr. (Sta. 113.42 10.43) 10.434 10.64 Lingstarent Street (SE) 12/17 Mayes. PO Sen 195. 54 Heller, Jersey Lings Hr. 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Frederic St. Hon 1993: Karton Bahamat Davines Growth Fand. | 94,073 | 4 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972) | 1 (972 | Instruction | Part | Section | Part March 1988: 104.1 and at 100 January 1987 conversion factor 1.9 INT, BANK AND O'SEAS GOVT STERLING ISSUES Five to Fifteen Years 113.9 | 11.1 | Tress 12.5 pt. 1940a; | 92.4 | 122.2 | 11.4 | Tress 13.5 pt. 1940a; | 92.4 | 122.3 | 11.4 | Tress 13.5 pt. 1940a; | 92.4 | 122.3 | 11.4 | Tress 13.5 pt. 1940a; | 92.4 | 122.4 | 12.5 | 12.6 | Tress 14.5 pt. 1940a; | 12.5 | 122.5 | 12.6 | Tress 14.5 pt. 1940a; | 12.5 | 12.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1940a; | 12.5 | 11.6 | 11.5 | Tress 14.5 pt. 1 Cont. 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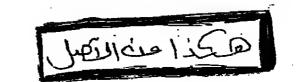
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Declara Last Account. Gions Dealings Day May 0 May 6 May 16 May 19 May 20 May 31 Jun 2 Jun 3 Jun 13

futures did.

down at 1789.5.

The May contract was finally

trading at 178.10, a discount then

of some twelve points on the

index level. So the latter moved down as hedging business was effected to end the day a net 5.2

Another slow session in the UK bond market furnished fresh evidence that the change of atti-

tudes on interest rate trends was

extending the current stand-off between buyers and sellers. Con-

ventional issues finctnated within a very narrow range

before settling a touch firmer while Index-linked Gilts attracted

slightly more business on infla-

tion worries to close % higherin

Harris Queensway, erratic per

formers over the past week or so

results circulated, shocked the

market by revealing appalling

preliminary figures - profits slumped from £50m to £16.9m -

but triggered an abrupt npsurge

in the share price by revealing that the company had received an "unsolicited bid approach."

HQ shares spurted to close a net 46 higher at 171p. The news

immediately led to a flurry of speculation as to the identity of the possible bidder, with the list of names stretching into double

Apart from outside names, the list at first included GUS, Moun-

tleigh, Boots, Tesco, Woolworths,

tions, were given a good recep-

ments, pre-tax profits at the half-

way mark recorded a 17 per cent increase at £94.8m.

The market was also impressed

as rumours concerning the

LEADING SHARES moved towards the final session of the trading Account in a mood of caution behind the fall overnight on Wall Street. The US market suffered a relapse as investors began to show concern over the prospect of both higher inflation and dearer credit London, with no economic or financial data scheduled to influence sentiment yesterday, simply followed in

The FT-SE index opened the session with a fell of six points, although earlier unofficial calculations measured a larger loss. Marketmakers were expecting short-term operators to realise the sizeable gains in many of the current situation stocks, or market plays. But holders decided otherwise and there was little profit-taking, despite thoughts that the recent RP referral might choke speculative fervour.

There were few notable fea-tures in the market except for continuing high activity in Rowncommung high activity in Rown-tree. Suchard declared an increased stake of 25.4 per cent and continued to buy Rowntree shares yesterday which remained steadfastly around 904p, com-pared with the 890p cash per share offer from Nestlé. The latter has a 7.1 per cent sharehold-

Sterling firmness militated against renewed support of dollar earners, and volume for the equity sector as a whole stayed low. While traders were ruminates as well as overseas names. Dealing over the lack of trade, the ers said any bid, which they say tone unexpectedly improved. The would have to be agreed with the reason for this was partly attrib-utable to the view portrayed in the latest Nomura Research Insti-that without the hid the HQ

tute (NRI) review of UK equities. share price would probably be Racal.

NRI feels the market is "discounting all the negative news" Wellcome's interim figures, bout of and prospects such as the risks of although not up to some of the overheating and the conse-market's more fanciful expectaquences of stronger sterling. However, the actual economy has been showing solid growth, mea owing to adverse currency movebeen showing solid growth, mea-sured in terms of consumer spending, industrial production and corporate earnings, and the gap between the current state of the ecopnomy and the stock mar-ket has been widening". The Institute concludes, "we believe the London market offers good

the London market offers good value when measured against with analysts, the share price traditional yardsticks". The "Footsie" index bad volume, totalling some 4.5m regained the loss by mid-morning shares, to close 23% higher at and subsequently recorded minor 478%p. Assuming full year sales changes in both directions ahead of the Wall Street opening. A continuation of the US market's weaker trend, awaiting announcement today of the forecasting annual pre-tax profits important April employment for Wellcome of £215m.

Equities turn down late as Footsie futures contract

moves to discount on index data, falled to dampen spirits but a late downturn in Footsie

	Mar.	May.	May.	Apr.	Apr.	Year	1988	88				Since Compilation		
	5	4	3	29	29	Ago	High	Low	High	Low				
Government Sees	89.78	89.72	89.70	90.05	89.70	9253	91.43 (18/4)	86.97 (13/1)	127.4	49.18 (3/1/75)				
Fixed Interest	96.86	97.22	97.47	97.57	96.92	97.44	98.31 £19/40	95.14 (2/1)	105.4	50.53 CV1/75				
Ordisary #	1430.7	1438.1	1449.7	1443.9	1444,7	1628.0	1478.7 (4/3)	1349.0	1926.2	49,4 (26)6)40				
Gold Miles	199.2	198.6	201.3	206.4	211.1	446.5	312.5 (7)	198.6	734.7	43.5				
Ord. Olv.Yield	4.53	451	4.49	451	4.52	3.54		S.E AC	YIVIT					
Earnings Yid, %(fulf)	11.73	11.69	11.63	11.70	11.70	8.39	lı lı	rdices	May.4	May 3				
P/E Ratio (setX*)	10.42 29,537	10.47 29,727 1152.23	10.52 26.702 956.18	10.45 27,276 1074.36	10.46 27,629 1161.03	14.68 43.878 1599.50	Equity Bary Equity Valo	Bargains	206.5	200.3 1932.7				
Equity Bargains	_	31,846	30,913 325.1	30,819 462.8	29,534 437.1	52,960 606.8	Gilt Edged Equity Bary	Pargains	200.4	123.7 195.5 2328.4				

Day's High 1436.4 Day's low 1430.7 iecs 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. S E Activity 1974. * NU -10.31

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

Racal's turnover topped 13m and continued to keep analysts and dealers on red alert to possi-ble market raids said to have been delayed by last week's announcement of the proposed flotation of the Vodafone divi-

Racal shares dipped to 307p during the morning but moved up significantly during the after-

bout of strong support after the recent period of relative underperformance. At least two leading securities houses were aggressive buyers of the sector with particu-lar emphasis placed on Natwest, "the top rated bank of all the clearers according to many bro-kers, which jumped 12 to 538p. Midland were not far behind and

by the £40m sales figure for Retrovir, the only drug currently approved for the treatment of Aids. After a positive meeting with analysts, the share price pushed ahead strongly in good volume, totalling some 4.5m shares to close 23½ higher at meeting the establishment of a joint wenture in equity marketmaking venture in equity marketmaking -- Winterflood Securities - specialising in USM's, third market

stocks and Gamma and Delta nificant support although Lon-don and Manchester attracted

persistent hnying interest and ient performance despite the hardened to 269p. In composites absence of a rumoured dawn raid stories that a rights issue could on one of the majors. Most active stock was BFB, which attracted shrugged aside and Royals shares dipped 6 more to 412p—again a reflection of the possible link up group, was planning to enter the plasterboard market. BFB dipped which could well remove any to 275p, but rallied to finish with French group Victoire plasterboard market BPB dipped which could well remove any to 275p, but rallied to finish chances of predatory moves by other groups. Landon United, heavily sold after the poor fig-

Porvair, a manufacturer of microporous plastic materials. made a good start in the Unlisted Securities Market, closing at 93p against the placing price of 78p. Clinton Cards, greetings card retailers, also staged a successful USM debut closing at 173p, compared with a placing price of 150p. Third market newcomer LGW, a wholesale distributor of es and jewellery, began life

at the placing price of 60p and advanced to 63p.

Interest in an otherwise quiet Brewery sector focused on Allied Lyons, which moved up to 415p on persisting bid rumours before reverting to the overnight level of 412p after modest turnover of 1.im. Vaux Group came under pressure ahead of next Thursday's interim figures and finished down 9 at 569p, but Invergordon Distillers rose 10 to 221p as hid

speculation resurfaced. Buildings gave another resil-

noon to close a net 8 up at 318p.

West Germany's Siemens and the UK - domiciled Cable & Wireless are both regarded as prime candidates to launch a full offer for Racal.

The banks sector came in first proper of the proper of unchanged at 280p. Business was

rising 15 to 410p following reports of a favourable conclusion to an analysts' meeting. ICI continued to drift down and closed 9 off at

GUS "A" initially dipped sharply to 1035p on the Harris Queensway news, rallied to 1061p on reports of a denial it was to on reports of a demai it was to hid for HQ and then settled 6 up at 1049p. Other issues enlivemed by the HQ story were Wool-worth, which dipped to 273p at 1045p. Other issues enlivened by the HQ story were Woolworth, which dipped to 275p before closing a net 274p, Ward White, already involved in a tilt at AG Stanley, eased 2 to 312p. WH Smith "A" settled 5 down at Foods dipped 5 to 226p on news

LONDON TRADED OPTIONS

NEW HIGHS AND LOWS FOR 1988

The speculation aurrounding Racal triggered further good interest in other top electronics. Activity picked up in STC, a shade firmer at 259p on turnover of 1.2m, while GEC, turnover 5.2m, held around 149p. Plessey. initially depressed by a substar tial selling order, later rallied well to close a fraction firmer at 156p. The Euro-radar news boosted Ferranti which added 2 at 86p, after 87p, on turnover of

Thorn EMI, one of the current takeover favourites in the sector, continued to attract a major two way business on continuing talk that a bid of at least 750p a share is being prepared for the group. Engineers ended the day with

several noteworthy movem Thomas Robinson, still reflecting the market's cautious reaction to the counter-offer for J.Crowther, reacted afresh to close 16 down at 103p for a two-day loss of 52. 403p for a two-day loss of 52. Coloroll, the original bidders, eased 5 to 180p, while J.Crowther closed 2 down at 187p. Hopkinsous, reflecting the sharp fall in annual profits, gave up 7 to 122p. In contrast, Meggitt Holdings responded to news of the major expansion of its aerospace and defence division in the US with a rise of 4 at 113p. Aurora, a good market since announcing the dismarket since announcing the dis-posal of land and a proposed acquisition, continued to attract buyers and put on 7 further to 113p. News of a 17 per cent increase in sales of Rolls-Royce and Bentley motor cars in the first four months of the current year aroused occasional demand for Vickers which edged up a few

pence to 169 %p. Rowntree continued to trade scrively, turnover topped 12m as Suchard increased its holding in the company. Cadbury Schweppes, however, gave fur-ther ground in the absence of any takeover developments to close 7

that Hillsdown Holdings had sold its stake in the company.

Grand Metropolitan edged up 2 280p. Other top retailers continued to suffer from recent adverse comment on the sector.

10 Supplementary to 500p in slack trading but recent takeover favourite Stakis encountered end-Account profitencountered end-Account profitaking to close 3 lower at 107p.

Once again, the international stocks traded quietly with prices eventually succumbing to fresh early weakness on Wall Street and closing with minor losses on

Hestair, a current favourite with Kleinwort Grieveson (KG), continued to attract buyers and

put on 9 more to 317p In a review of the company, KG point out that the current year is progressing ahead of bud-get, with the employment agency businesses on both sides of the Atlantic providing excellent growth in sales and suggest that Hestair shares rate as a strong buy after recent underperform-

Smith and Nephew were actively traded in the wake of alightly disappointing first quar-ter figures and fell away in a volume of some 6.6m shares to

close 5 lower at 122p.

BAA's possible bid for Lynton
Property and Revarsionary
aroused considerable interest with some 8m shares changing hands in the former which eventually settled without alteration

at 12p.
Commenting on the situation,
County NatWest WoodMac says
that if a full bid for Lynton is agreed it would appear to be a good fit offering a great deal of potential". Revived bid hopes left Low and Bonar 8 to the good at Low and Bonar 8 to the good at 246p, while Metal Box, reflecting BTR stake speculation, put on 8 to 218p. Pearson firmed afresh to 710p, up 4 in the wake of the West Thurrock property deal with Capital and Counties.

Land Securities led the Property sector lower, the shares falling 11 to 55p. con turnover of

2 to 75p following the con announcement that it had let a second phase of its figureachine office campus development.

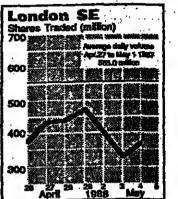
Reed International featured in

the earlier dealings, racing shead to 432p as takeover rumours resurfaced before falling back to close only 6 higher on balance at 421p. Around 4.4m shares passed through the system vesterday -The referral of the Kuwaii

The reterral of the kiwatt investment Office Stake in BP to the Monopolies Commission shaved another couple of pence off the share prices of BP "old" and "new. The latter dipped 1% to 70%p on turnover of 7.7m while the "old" settled 2 lower at 264p on turnover of 6.5m.

Traded Option activity contracted onlie shardy. The total

Traded Option activity con-tracted quite sharply. The total number of contracts falling to 23,095, comprising 14,585 calls and 8,510 puts. Among the more actively traded stocks, BP regis-tered 1,432 calls and 1,705 puts. The FT-SE contract attracted 1,548 calls and 2,532 puts.



Traditional Options First dealings May 3
Last dealings May 13
Last declarations July 23 • For Settlement Aug 8

For rate indications see end of London Share Service Activity in the Traditional option with Capital and Counties.

Land Securities led the Property sector lower, the shares falling 11 to 556p, on turnover of 1.6m; the annual results are due on May 19. Lynton Property and Cable and Theoremson 19. Lynton 19. Reversionary continued to and Cable and Wireless. No put attract support on hopes of a full options were reported but a doubid from BAA and closed 12 bet-ble was arranged in British ter at 427p. Markheath edged up Petroleum partly-paid.

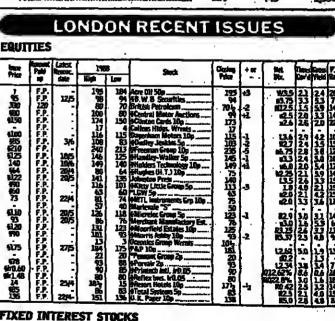
TRADING VOLUME IN MAJOR STOCKS

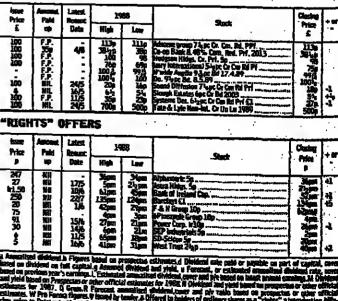
sed on trading volume for Alpha securities deaft through the SEAQ system yesterday until 5 pm.



RISES AND FALLS YESTERDAY

Rises 76 17 346 99 27 1 52 41 Falls 13 9 528 192 31 2 54 114 Same 24 27 679 354 50 10 89 98 943 1,331





These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT - ACTUARIES INDICES

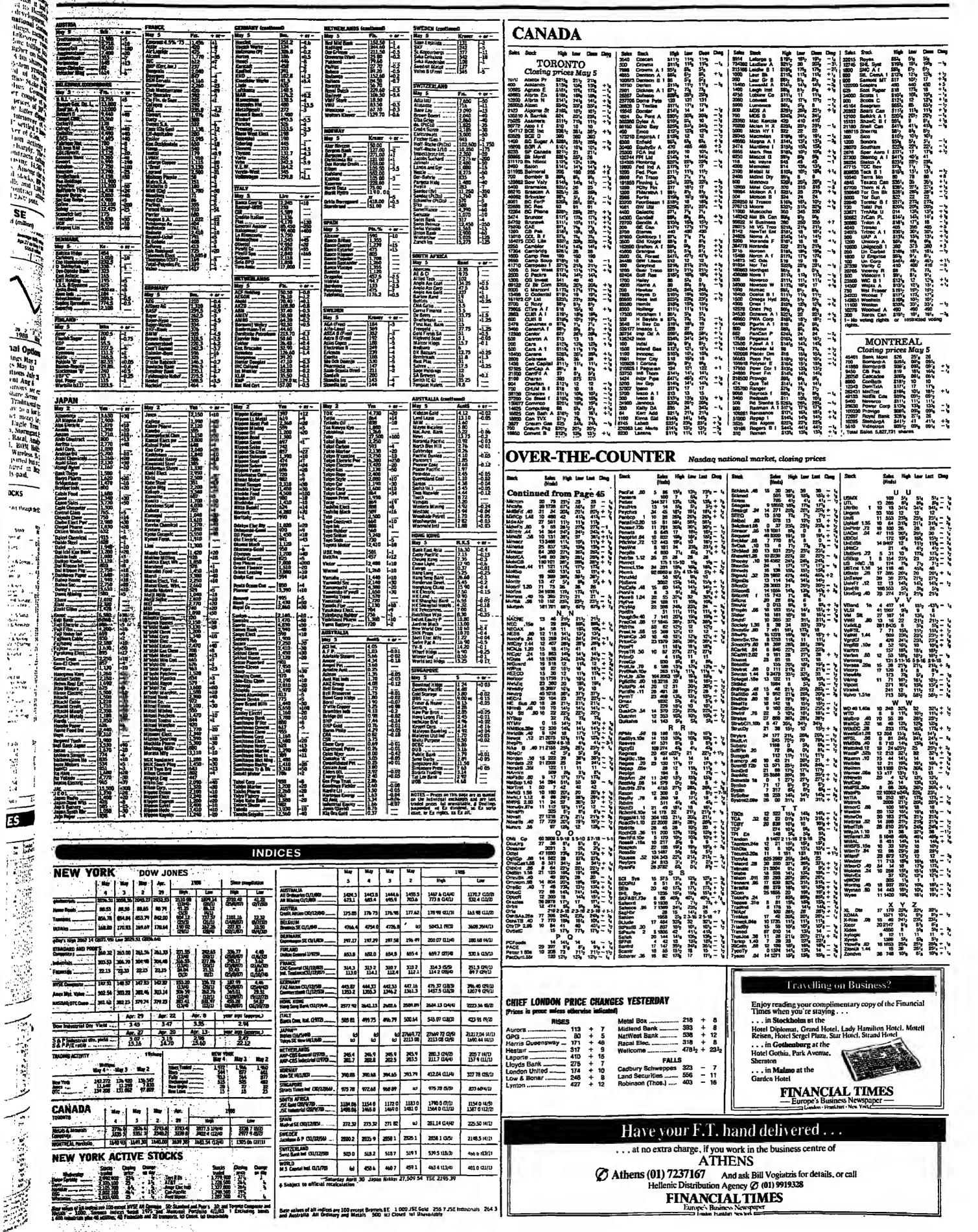
	EQUITY GROUPS & SUB-SECTIONS		The	rsday N	lay 5 1	1988		Wed May 4	Tac Nay 3	Fri Agr	Year ago (approx)
F	gures in parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	ud adj. 1988 to date	ladez No.	Index No.	ladez No.	Index No.
ī	CAPITAL GOODS (207)	762.87	-9.1	16,14	3.95	12.34	8.72	763.77	744.71	764.68	876.A7
2	Building Materials (29)	333.19	-0.2	11.85	3.91	11.25	7.83	1901.25	1967.76		
3	Contracting, Construction (34) Electricals (12)	1564.45	-0.4	9.81 9.45	3.34 4.88	13.47	17.12	1590.78 2057.68	1592.37 2057.40		
3	Electronics (32)	1488 81	+6.4	10.24	3.33	12.78	12.47	1602.71	1504.11		
6	Mechanical Engineering (56)	201 23	10.7	18.67	437	12.45	434		392.42		
8	Metals and Metal Forming (7)	449 PM	-4.3	10.14	3.94	11.91	3.99	449.32	458.54	447.53	
9	Motors (3.3)		+0.1	11.49	4.48	9.91	4.79	272.54	277.31	272.39	
10	Other Industrial Materials (24)	1257.09	-0.5	8.87	4.38	13.47	19.22	1243.07	1266.89	1245.52	
21	CONSUMER GROUP (187)	1059.78	-8.2	8.71	3.51	14.62	6.67	1841.83	1967.03		
22	Brewers and Oistiflers (211	1892.99	-0.2	18.11	3.49	12.58	7.75	1094.27	1893.47	1073.54	1116.14
25	Food Manufacturing (23)	893.98	-0.4	8.96	3.74	14.31	8.45	897.50	987.95	715.72	
26	Food Retailing (15)	2003.65	-4.6	8.24	3.17	14.24	12.39	2015.30	2035.19	2646.55	2723.81
27	Health and Household (12)	1792.40	+0.4	6.86	2.66	17.25	6.40	1785.75	17714	1774.95	
29	Leisure (30)	1289.97		E.06	3.67	15.87	11.44	1257.43	1277.57	1277.12	
31.	Packaging & Paper (17) Publishing & Printing (16)	498.19	+4.9	9.01	3.85	14.54	4.97	493.56	486.74	486.41	625.40
32	Publishing & Printing (16)	3384.52	-	7.66	4.38	16.40	43.53	3379.88	3327.31	3315.91	
34	Stores (35)	814.24	-0.6	9.49	3.80	14.11	2.31	111.83	833.97	442.34	
35	Textiles (18)	643.03	-1.0	11.28	4.85	14.12	0.53	684.90	608.41	647.60	
40	OTHER GROUPS (73)	870.78	-0.4	10.87	4.32 2.35	11.49	7.89	874.35 1158.12	876.46 3148.31	867.51 1132.89	1471.63
41	Agencies (19)	1134.34	-15 -43	7.01 12.89	4.88	18.13	9.41	998.45	997.95	992.47	
42	Chemicats (201	1174 93	-9.7	9,93	4.46	11.78	6.05	1184.87	1174.4	1142.00	
43	Shipping and Transport (12)	1999 04	-4.4	9.94	4.50	13.19	21.37	1394.53	1996.26	1814.13	2054.62
47	Telephone Networks (2)			1116	4.27	11.93	0.00	963.78	974.30	964.23	1864.11
48	Miscellaneous (26)	1112.36	-4.5	12,73	4.53	9.41	18.12	1117.57	1119.62	1116.95	
49	INDUSTRIAL GROUP (487)		-4.2	9.67	3.84	13.03	7.89	944.22	947.95		1080.34
51	Oil & Gas (1.31	1817.05	-4.7	10.64	5.62	12.12	38.41	1829.68	1152.65	1147.22	1995.34
59	500 SHARE INOEX (500)	1015.91	-43	9.81	4.10	12.89	19.46	1018.95	1924.29	1071.44	1157.92
61	FINANCIAL GROUP (122)	645.68	+9.2	~	4.98	-	11.59	464.05	668.18	661.75	
62	Banks (8)	626.77	+1.6	22.73	6.50	5.98	17.45	617.01	618.88	622.00	
65	Insurance (Life) (8)		-0.2	- 1	5.24	- (24.97	967.06	976.48	977.54	986.96
66	Insurance (Compositel (7)	528.37	-4.5		5.60		8.48	531.77	537.45	540.73	524.59
67	Insurance (Brokers) (7)	992.96	40.3	10.12	7.03	11.98	26.67 3.81	904.35 339.51	989.58 345.36	910.85	1157.73 378.15
68 69	Merchant Banks (11)	1157 64	+8.4	4.85	2.63	26.51	4.83	1165.76	1166.13	1141.87	
70	Other Financial (30)	382.41	+0.1	10.51	457	11.99	3.74	381.91	385.19	387.12	
71	Investment Trusts (82)		-14		2.94		5.70	876.22	875.38	873.99	974.84
81	Mining Finance (2)	479.14	+0.6	9.49	3.93	11.67	2.01	476.26	482.99	467.00	494.89
91	Overseas Traders (8)	1030.21	+0.1	10.42	5.26	11.27	21.07	1929.27	1843.44	1836.84	
99	ALL-SHARE INDEX (714)	923.61	-8.2	-	4.21	-	18.38	925.47	934,45	921.19	
-		ladex	Day's	Day's	Day's	May	May	Apr	Apr	APE	Year
		No.	Charge	High	Low	4	3	29	28_	27	200
	FT-SE 100 SHARE INDEX &	1789.5	-5.2	1797.2	1783.7	1794.7	1807.2	1882.2	3884.4	1806.7	2977.3

	FD	KED I	NTE	REST	•			AVERAGE GROSS REDEMPTION YI		Thu May 5	May 4	Year ago (approx
	PRICE INDICES	Thu May 5	Day's change %	Wed May 4	xd adj. 10day	xd adj. 1988 to date	123	LORDORS 15	yearsyears	8.82 9.20 9.86	8.85 9.28 9.07	7.81 8.64
3 4 5	Pritish Government 5 years 5-15 years Over 15 years Irredeemables Att stocks Bright Stocks 5 years Over 5 years	123.16 140.11 148.57 164.67	+0.86 +0.89 +0.04 +0.32 +0.87	123.11 139.99 148.51 164.14 136.85 125.83 119.82	9.62 - 	3.94 4.60 5.65 6.08 4.54 0.51	4 5 6 7 8 9 10 11 12 13	Medium 5 Coupons 15 25 High 5 Coupons 15 Irredeemables	years	9.30 9.42 9.23 9.38 9.57 9.26 9.07 2.55 3.73	9.32 9.42 9.24 9.49 9.57 9.29 9.69 2.54 3.76	8.64 8.65 8.58 8.83 8.87 8.77 8.82 8.75 2.61 3.54 2.09
_	Ali stocks	120.65		120.13		1.13		inflation rate 10% Debt &	Over 5 yrs.	3.57	3.59	3.43 9.75
-	Preference	119.16 92.06	+0.07	119.15 92.23	8,08	4.48 2.20	17	Professor	15 years 25 years	10.62 10.68	10.64 10.67	9.99 10.92

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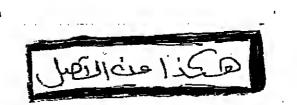
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PERFORMANCE OF ANP-CHS INDICES

AMERICA

Dow falls further as market awaits employment data

Wall Street

AMID slow, nervous trading, Wall Street stocks continued their downward path yesterday as the dollar weakened and bonds became firm, writes Deborah Hargreaves in New York. Many investors looked warily on as the market fell amid ner-younness about today's release of

April employment figures. Wall Street estimates pitched the rise in the employment figures anywhere between 270,000 and 350,000, an expected jump from the 262,000 increase reported for March. This added fuel to inflation fears and kept many cau-tious investors out of the market

Traders reported patchy trading with the market's decline propelled by the discount between stock index futures in Chicago and the New York cash market. This triggered off stock index arbitrage programmes, where traders buy in Chicago and sell in New York.

Nicholas Brady, chairman of the presidential panel set up to study the October market crash, repeated concerns that little has been done to make necessary nges in the financial markets. In a letter to a working group of buy-ou financial regulators doe to make group. their recommendations to President Reagan on May 18, Mr Brady called on Congress to "get

on with" market legislation.

Man nel Johnson, Federal
Reserve Board vice chairman,
said in a speech yesterday that
the US deficit was improving, but that it would take some time to achieve a substantial reduction. The current account trade deficit would probably continue to rise for several years, he said, but at a on April sales reports. Sears was

ket indices followed suit with the Standard & Poors 500 stock index off 1.54 points to 258.78 and the New York Stock Exchange Com-

back of several large block trades in one or two dividend stocks, with 903 declining issues leading 558 advancing ones.

Takeover stocks and compa fell \$% to \$75%. Texaco rose \$1%

lier this week, Texaco filed a lawsuit against Mr Icahn.

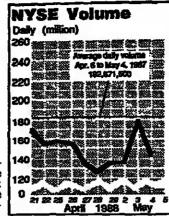
Kraft jumped \$1% to \$53% ind of 9.1 per cent. The Fed
its Duracell battery division to
Kohlberg Kravis Roberts for Kohlberg Kravis Roberts for \$1.8bn. The company also announced plans to repurchase

up to 12m shares. KaiserTech, the aluminium company, leaped \$2% to \$17% after the company said it would consider acquisition proposals, including an expected leverage buy-out offer from a management

cern, gained \$% to \$13% after Dow Chemical, which has acquired a 4 to 5 per cent stake in the firm, said it had filed for approval to boy more shares. Dow was off \$% to \$84.

Loews Corp, the diversifed insurance and tobacco group, fell \$% to 67% after reporting its first quarter earnings, Retail compa-nies put in a mixed performance slower rate.

The Dow Jones Industrial 4.8 per cent, K mart dropped \$% Average dropped 16.08 points to \$33% on a sales rise of 2.5 per



New York Stock Excusing Property of 146.51.

Volume picked up to a moder-cent and J.C. Penney was up \$% to \$46% after its sales dropped 0.4

nies reporting strong first quaring rally. Any rise in the employ-ter earnings continued to attract ment totals is likely to push much activity, as did dividend bonds down again today as the plays in General Motors, which market continues its concern about inflation. The Treasury to \$51% after reports that Carl bond market is also looking Icahn, the company's biggest shead to next week's refunding, shareholder with a 14.8 per cent stake, was likely to offer \$55 to \$80 a share for the oil giant. Barlier this week, Texaco filed a law-suit against Mr Icahn.

The benchmark long bond was up by 1 yesterday to 971 with a yield of \$1 per cent. The Fed first area back to \$15 per cent.

Canada

Stocks declined sharply in active trading. Gold, industrial and met-als issues led the downward

The composite index fell 19.58 to 3315.96 as declines outweighed

to 3315.96 as declines outweighed advances 462 to 316 on a heavy volume of 29.3m shares.

Stock analyst Joseph Ismail, of Walwyn Stodgell Cochran Muray, said much of the market's heavy volume was the result of trading in Laidlaw shares. Laidlaw's chairman said he was considering the private sale of his control block of 50.5 per cent of the company's class A voting undermined by Wall Street's

Earlier, he had said any sale

EUROPE

Montedison leads Milan higher in thin turnover

yesterday by developments in the corporate sector, but most European bourses ended lower in thin trading amid anxlety over Wall Street's overnight setback, urites Chr. Markets Street

Our Markets Staff.

MILAN gained ground on continued speculation about chemicals group Montedison, although volumes stayed at their recent

The MIB index rose 8 to 1,041. Like the stock market, the Li00bn. Sentiment was helped by credit market kept an eye on today's employment figures and on Wednesday that it did not firmed amid a small shortcovering rally. Any rise in the employment totals is likely to push short-term.

Montedison rose L53, or 3.5 per

cent, to L1,532 on speculation that Dow Chemical of the US was building a stake. Dow, which is thought to have boosted its holding as high as 5 per cent, has notified the US authorities of its wish to increase its stake further.

Montedison was also helped by
news that it is close to a joint venture agreement with state-owned chemical group Enichem. Pirelli continued its upward climb, adding L150, or 5.2 per cent, to close at L2.825, although much of the gain was registered in after hours dealings the previ-

Buitoni closed L220 higher at L8,825, and then rose after hours to L9,120 ~ a gain of 6 per cent on news of a revised offer from

Nestle of Switzerland.
PARIS ran into a round of prof-

the company's class A voting undermined by Wall Street's shares. retreat. The CAC General index, based on opening prices, rose 1.1

would include the company's to 3143.

class B non-voting shares. The

class B shares fell C\$2% to

C\$17%. The A stock fell C\$3% to

c\$20%.

C\$20%.

London

CHOCOLATE maker Rowntree saw the most activity in an otherwise quiet market as Swiss confectioner Jacobs Suchard declared an increased stake in the company. The FT-SE 100 index lost 5.2

Midi, which is to seek sharehold-ers' approval of its planned insurance merger with Axa at a meeting on June 22, lost FFr30 to

However, Navigation Mixte, which has benefited from the speculative activity in the insur-ance sector, was FFr17 higher at FFr1,030, although down from a day's high of FFr1,075. FRANKFURT saw another quiet day in spite of positive cor-porate news from leading compa-

nies, and the FAZ index eased 0.43 to 443.87 in continuing low

"There's a complete lack of interest, particularly from for-eigners, meaning the market is not so interested in good results. It only moves on bad news," said

one analyst.

Chemicals group Hoechst, which reported sharply improved first quarter earnings on Wednesday, lost DM4.60 to DM251.20. Mannesmann, which announced a steady dividend and slightly higher parent company profits, lost DM4 to DM138.50.

Engineering and chemicals concern Feldmuehle Nobel said it was leaving its dividend unchanged and shed DM6 to DM275.50, while car-maker BMW. which reported a steady dividend and higher parent company profits, dropped DM16 to DM596.
Bonds fell, with the federal 6% per cent 1998 bond yielding 6.50

per cent after 6.49 per cent.

ZURICH was discouraged by
the overnight drop on Wall
Street, and prices fell across the
board.

THE HIGHER bullion price and

SOUTH AFRICA

weaker rand gave a boost to gold shares in Johannesburg after recent continuous falls, and the market ended generally higher.

Randfontein rose R5 to R205, Restrix found 75 cents to R11.75 and Anglo American Gold added R1 to R237. In diamonds, De

Trading was quiet ahead of Beers put on RL50 to R33.75.

bearer lost SFr125 to SFr5,025 after amouncing the purchase of all shares of Southern Guaranty

all shares of Sommern Guaranty
Insurance of Alabama and its
Georgia subsidiary.
Chocolate makers Jacobs
Suchard and Nestlé each disclosed increased stakes in Rowntree of the UK. Suchard, which tree of the UK. Suchard, which said it owned 25.4 per cent, saw its bearer fall SFr200 to SFr7.275, while bearers of Nestlé, which claimed 7.1 per cent, lost SFr50 to SFr6.275. Crédit Agricole, the French farm bank, said it had dropped its legal opposition to Nestlé's acquisition of French-listed Buitoni SA.

Nestle's acquisition of French-listed Buitoni SA.

Bank Leu, the country's fifth largest bank, defied the market trend, gaining SFr15 to SFr3,090.
It said it planned a holding com-pany venture with Bank Zurlch.

BRUSSELS closed mixed to easier after an uneventful day's trade. The market was exceptionally quiet for the first day of a

fortnight's trading period.

A rush of coupon payments initially pulled shares down and the negative mood was reinforced by caution after Wall Street's overhight fall and fears of a rise in US interest rates. The forward market index slipped 10.2 to 4.568.07.

Blue chip Petrofina was the most active stock by far, losing

BFr50 to BFr11,200 on volume of 12,960 shares Zinc smelter and producer Vieille Montagne lost BFr10 to RFr6.100. It announced a rise in 1987 losses to BFr3.08bn from BFr646m, but said it expected at ast to break even in 1988.

AMSTERDAM was depressed by the lower overnight close on Wall Street and by the absence of many dealers because of the Lib-eration Day celebrations. The ANP-CBS index eased 1.5 to 245.4. Sentiment was also hit by the lower dollar and the wait for US memployment figures for March, due today. Turnover reached FI 224m against FI 189m on Wednes-

MADEID ended mixed with the Insurance group Winterthur 273.32.

today's market holiday.

12% 24% 190.4 183.3

Bid talk keeps Dutch bourse on its toes

BY LAURA RAUN IN AMSTERDAM

TAKEOVER fever has fuelled a respectable recovery on the Amsterdam stock exchange this year and could enliven the market for the second summer in a

The market's ANP-CBS Genthe market's ANY-CBS General index has climbed about 18 per cent since the beginning of the year, performing reasonably well in comparison with other European bourses, and more than half of last autumn's historic losses have been erased.

The latest takeover came this week when Wegener, a small Dutch publisher of regional newspapers, said it planned to acquire Koninklijke Tijl, a smaller rival It was about a year ago that Elsevier, the country's second largest publisher, launched its unprecedented hostile bid for Klower, a medium-sized competi tor. Elsevier lost the battle and Kinwer went to Wolters Samsom but the way was paved for fur-ther unfriendly bids.

in the pest month a spate of shares have jumped on takeover talk. They include Amey, the insurer, Nijverdal-Ten Cate, the textiles group, Bols, the distiller, Nedlloyd, the shipping and transport group, and Gist-Brocades, the biotechnology company.

"Takeover rumours are the tengille effect of expectations for 1992," said Mr Frank Hoogendiik.

1932," said Mr Frank Hoogendijk, a securities analyst for Pierson, Heldring & Pierson, "Consolidation is needed if Dutch compa-nies want to be the service companies for Europe."

Speculation is also being fed by the Amsterdam stock exchange's move to dismantle overly protec-tive anti-takeover defences. Listed companies often ensconce themselves in layers of defences and they are preparing for a hat-tle with the bourse. This week 20 big companies formed a group to lobby for corporate legislation which they regard as favourable.

The coming summer months, known for their traditional dol-drums as "cncumber time", are unlikely to produce dramatic gains on the bourse, with uncer-excellent launch pads for pan-Eu-

trade deficit and interest rates putting a dampener on things. putting a dampener on things.
But merger and acquisition activity could create some excita-

activity could create some excitament in a market that is fundamentally sound, analysts say.
Corporate earnings were healthy
in 1987 and this year looks better
than had been expected shortly
after the October crash.

Companies will benefit from
lower corporate taxes and welfare premiums, low import prices
due to the strong guilder and
modest wage rises. And price-toearnings ratios are low even by
the modest standards traditionally seen on the Amsterdam
bourse, with ratios of around ar bourse, with ratios of around six

On the other hand, Dutch con-sumers remain tight-fisted with their disposable incomes. More-over, the investment subsidy for

businesses is being scrapped and interest rates could edge up.

This may cloud the demestic outlook, but analysts tend to be more optimistic about companies criented towards the home manual tent the screening of the country of the screening of ket than about the exporters. Big international concerns such as Philips are suffering from the

cheap dollar. Small domestic companies have been drawing more attention from foreigners than from local investors, according to Mr Fokko Tuin, chief of securities analysis for Kempen & Co. "Foreigners have more guts."

These smaller concerns will see more mergers and acquisitions in preparation for the single European market in 1992. They must swallow each other or be swal-lowed by bigger figh.

Mr Tuin believes the paper, transport and trading sectors are

ripe for more concentration. Among paper and board compa-nies, Bührmann-Tetterode and Royal Dutch Paper Mills have built up solid earnings records in recent years. In the transport sec-tor, Nedlloyd remains a favourite

tainties over the dollar, the US ropean distributors.

ASIA

Tokyo seers make bullish forecasts

TOKYO share prices are expected managing director of Nomura Nikkel average should rise to the over fell back slightly to to continue climbing in the near Securities Investment Trust, fore 29,000 range this year. future, with many bullish Japanese analysts forecasting that the Nikkel average will reach 30,000 later this year, writes Shigeo Nishiwaki of Jiji Press.

The Tokyo market has made a spectacular recover autumn's crash, with the Nikkei index setting all-time records in April and early May. It sits currently at a record high of 27,670, 7.5 per cent higher than its level just before Tokyo equities crashed on October 20.

Local institutions are united in the belief that Japanese equities offer the best investment option, says Mr Hideo Nakanishi, direc-tor and general manager of Sumi-tomo Trust and Banking's securi-

ties investment department. Government bonds offer the Government bonds offer the same return as short-term equity investments and therefore have no attraction, he says. And US federal 30-year bonds, now yielding about 9 per cent, carry the risk of exchange rate losses.

Strategist Mr Morihiko Ida, executive director of Morgan Stanley international's Tokyo market, be says.

Share movements could depend on the reaction of the market of Jeren to first quarter.

executive director of Morgan Stanley International's Tokyo branch, is one of the market's most sanguine seers, predicting the Nikkei average will reach the 35,600 range by September. His argument is based on the expectation that last month's abolition of tax breaks for small investors' savings accounts will lead to

Australia (8 Austria (16)

IISA (582)

Furn-Pacific (1688). North America (707)..... Europe Ex. UK (684)..... Pacific Ex. Japan (218)... World Ex. US (1887).....

World Ex. So. Af. (2409)

The World Index (2469)...

Europe (1013)

Securities investment Trust, fore-casts a rise to the 30,000 to 31,000 Tokyo was closed for a heliday. range between June and August. but remains concerned at the speed of recovery in the business

expects the Nikkel average to approach 30,000, but expects a 68.21, or 24 per cent, to 2,577.92 on news that Jardine Strategic was strengthening its control of savings are diverted into spending, the economy will expand overall and equities will become a more attractive investment, and the subject of takeover rumours, a more attractive investment, which have boosted the wider tracket but Jardine's nurchase of says Mr Fujio Ikezoe, director of market, but Jardine's purchase of

Mr Akio Yamamoto, senior the Bank's policy, however, the index fell 40.62 to 1,704.47 as turn-cent to S\$1.17.

Pound Sterling Index

96.85 94.61

101.92 70.74 60.38 81.76 97.57 59.84 140.32 105.80 98.35 85.36 61.58 98.89

89.51 98.97 120.19 96.64 61.88 110.19 83.68

86.18 136.27 116.23 84.38

71.32 87.46 115.38 102.48 103.18 85.31

-02 +0.1 +0.6 -0.3 -1.6 +0.1 -0.1 -0.5

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.792 (Pound Sterling) and 94.94 (Local), Japanese market closed May 5.

Change %

77 93

108.53

106.26 89.81 110.13

107.43

129.90

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.

Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Currency Index

108.94 104.85 79.85 66.37 108.95 70.00 139.17 132.54 309.97 92.39 60.22 104.04 79.20 172.89 67.59 110.59 110.53

91.14 136.34 118.40 105.61

113.88 113.76 100.15

113,51

Gross Oh. Yield

Dollar Index

122.66 119.30 127.73 89.62 76.10 105.36 75.07 133.00 124.47 108.22 78.58 125.66 112.26 120.76 123.60 79.03 138.86 138.86 138.86

108.76 171.21 146.23 106.89 90.11 111.90 145.15 129.20 130.10 107.92

3.84 0.69 1.64 3.64 3.37 4.19 1.71 2.10 2.30 3.75

2.32

Hong Kong

Meanwhile, Nippon Life Insur- THE speculative pressure went

Baring International Investment a further 8 per cent stake from Management (Japan). Overhanging this, however, is the possibility that the US economy may lose impetus next year, he cautions. ity that the US economy may lose China's Citic scuppers h impetus next year, he cautions.

Bullish forecasts dominate, but holding to 33 per cent.

Bank of Japan to first-quarter with Cheung Kong losing 30 gross national product statistics, cents to HK\$7.35, New World 40 due in the middle of next month, cents to HK\$10.60 and Henderson drop after a short time lag, probe at Parry Corp of Australia, in stock Marco Polo, which bly from the beginning of which it has a 15 per cent stake, accounted for in of the total volantum. If there is no change in The broadly based Hong Kong ume of 274m shares, gained 1

Sterling Index

97.41 77.255 101.74 97.53 94.86 101.72 97.51 97.51 97.51 98.06 62.49 99.91 99.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.93 90.

86.48 136.14 116.28 85.00 71.65 88.98 115.42 102.74 103.45 85.82

Currency Index

109.78 104.90 107.54 80.20 105.76 108.71 70.08 139.17 132.19 310.27 93.01 93.01 105.27

103.70 77.65 127.49 107.63 68.57

91.36 136.44 118.55 106.25 79.38 101.45 117.92 114.19 114.08

Australia

THE strength of the Australian dollar early in the day hit the market lower overall, with the All Ordinaries index losing 17.5 to 1,426.3.

Leading resource issue CRA lost 18 cents to A\$6.82 and Western Mining 24 cents to A\$4.92, with 29m shares traded. In golds Remison Goldfields fell 10 cents to A\$7.50 and Emperor shed 15 cents

Media stock Qintex Australia, which reported a more than five-

fold increase in interim profits, lost 5 cents to A\$2.05. The Bell Group was steady at

Singapore

cent to A\$1.73.

HOTEL and property stocks target Marco Polo, led Singapore

higher.
The Straits Times industrial index gained 3.1 to 975.78 in turnhe says. If the Bank moves to Land 20 cents to HK\$5.45. index gained 3.1 to 975.78 in turnpush short-term interest rates Hang Lung lost 25 cents to over that picked up late in the
higher, he expects share prices to HK\$5.25 after news of problems, day after a singuish start. Hotel

DOLLAR INDEX

91.16 84.35 99.14 107.06 111.42 106.78 72.77 67.78 84.90 104.60 62.99 133.61 107.83 90.07

130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26

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Once it was Britain's industrial heartland. Now the Black Country's four boroughs have joined

forces to overcome the hardships produced by the decline of its economic base and restore its image. Richard Tomkins, Midlands Correspondent, reports

Visible signs of recovery

THE BLACK COUNTRY is the world to know it. But first, shrouded, if no longer by the the world has to know where smoke that gave it its name, then certainly still in mystery. Even those who live within it are sometimes hard present to define what it is: and those who live without are hard pressed just to

find it.

Such a low profile ill becomes little affinity – it is an agglomerthe area that served as a cradle ation of scores of towns and vilfor Britain's Industrial Revolution and grew to become one of the nation's prime manufactur-ing powerhouses. Yet it is con-firmed by a Gallup poll just com-missioned by the four Black owes its emergence as a centre of

Country boroughs. Of 2,000 people interviewed across the UK, some 72 per cent said they had heard of the Black Country, but only 40 per cent could correctly place it in the West Midlands. Most of the rest thought it was something to do with the Potteries: and that when country's role was as a second of the property ever and whatever it was, it was of coal and iron to the neighbour-

image. People there are fed up area within about five miles of with being told that they live in a depressed industrial area. They are not depressed at all: they are proud, optimistic and increase their confident and there are the manufacturing industries are related to their manufacturing industries.

they are.
So what is the Black Country, and why is it so difficult to define? Lying roughly between Birmingham and Wolverhampton - but emphatically excluding lages welded together into an industrial hinterland with a pop-

manufacturing industry to the presence of the rich coal seems of the South Staffordshire coalfield and their associated deposits of iron and limestone - all of them ingredients crucial to the birth of

In its early days, the Black Country's role was as a supplier rim. ing manufacturing centres of Bir-This might matter very little mingham, Walsall and Wolverwere it not for the fact that the hampton, it was then still then a Black Country has anddenly relatively isolated mining combecome acutely conscious of its munity confined mainly to an

ingly confident, and they want related to them. These spread



The Black Country

hall, for example, chains with Netherton, nails with Cradley and saddlery with Walsall. Infilling between the towns and villages, and between the original coalfield area and neighbouring towns, blurred the boundaries of the Black Country. Today the ontsider commonly bits of northern Wolverhampton regards it as just another name

for the seamless industrial mass of the West Midlands. Yet if the Black Country has no geographical or political boundaries, its cultural ones remain. Visitors to the area are surprised to find people speaking not with a Birmingham accent but in a distinctive Mercian dialect which has a grammar and syntax of its own. The inhabit-ants are steeped in tradition and customs, some of which go back to mediaeval times. They also retain many of the characteristics of a tightly-knit mining community: conservative and inward-looking, but warm-

their tentacles into neighbouring

towns and villages, with certain crafts becoming associated with certain areas: locks with Willen-

hearted and generous.

is regarded as comprising the lessness and despair set in four boroughs of Dudley, SandTo the extent that well, Walsall and Wolverhamp- would never be quite the ton. This is a poor definition, pro-voking understandable protests justified. But the despair has from people living in the greener gone, replaced now by a cautious

and Walsall. Yet more important than quib- the ashes. bles about where its borders truly lie is the task which the Black Country faces in overcomage of 9 per cent, but is down to the area's traditional dependence on heavy manufacturing and metal-bashing industries brought great prosperity in the brought great prosperity in the post-war boom of the 1950s and 1960s, but its vulnerability to economic downturn was cruelly exposed in the recession that fol-

Blow after blow rained down on the community as steel works and vast factories shut down. The present-day Black Country's Black Country's Black Country's prosperity is still that put the try, Insofar as it is defined at all, ment soared, and a sense of hope-turnover in the next six months problems are over. On the con-heavily dependent. But the motor on the map.

To the extent that things would never be quite the sa

gone, replaced now by a cautious enthusiasm for the Black Country that is beginning to rise from The signs of recovery are unmistakable. Unemployment is still well above the national aver-

The businesses that survived the recession were either the fittest already, or else were taken over by someone fitter. Now they are reaping the benefits of recovery: the Wolverhampton Business School's latest West Midlands Business Survey found 71 per cent of Black Country companies

or increase their workforce.

Vast areas of dereliction are now being targeted for develop-ment: last month Triplex Lloyd, of extensive dereliction. the foundries and engineering

all, the Government's creation of to be emerging as its capital. the Black Country Development Economically, it could be Corporation last year, with a argued that the Black Country's grants in improving the infra-structure of the area with the aim of attracting five times that, related to the boom currently sum in private investment.

trary, the difficulties have only just begun to be resolved, and the challenges that lie abead are sometimes awesome in their size and complexity,

Environmentally, for example, large tracts of the Black Country remain an industrial archaeologist's beaven and a buman being's bell. The smog may have cleared, but only to reveal scenes

Much of the housing stock fails group, laid down plans to turn to meet modern standards; parks the 75-acre site of the James and playgrounds are few, and lei-Bridge Steelworks - once sure and recreational facilities Europe's biggest steel foundry – are inadequate. The area also suf-into a housing, business and lei-fers the handicap of lacking any re scheme.

Perhaps most significantly of though Wolverhampton appears

brief to regenerate the worst recovery owes more to the huoyafflicted parts of the region, is ancy of the British economy than
proving a vital shot in the arm. to its own inherent strengths. Over the next seven years the Much the same story of revival corporation will invest between and rising confidence is coming £130m and £160m of Government out of most of Britain's old indus-

m in private investment. being enjoyed by the motor None of this should be taken to industry, a sector on which the

CONTENTS

The Brierley look

Fraffic proposi

components being made at Cradley Castings in Hatesowen

industry is cyclical, and the Wolverhampton Business School sur-vey produced disturbing evidence that local component manufacturers had left themselves vulnerable to a downturn in domestic demand by failing to exploit export markets.

There is now a widespread rec-ognition in the Black Country that the key to the area's development lies in diversifying its economic base. The Black Country Development Corporation, for example, sees it as important to that the balance between the manufacturing and service sectors shifts more towards the national corm.

The transformation of the Black Country is not, however, going to happen overnight. Massive amounts of reclamation remain to be done before sites become sufficiently attractive to bring in the investors who will build the superstores, business parks, leisure centres and warehouses of the future.

Yet signs of progress are visi-ble everywhere. In the private sector the Richardson twins, well-known local property devel-opers, have already opened the huge Merry Hill Shopping Centre near Dudley and bave several other developments under way.

The Black Country Develop meot Corporation made its first land purchases in March, buying six sites totalling 65 acres from Sandwell Metropolitan Borough Council, and said developers were already showing an interest in some of the land.

There are indications, too, that

the Black Country is benefiting from ripples of prosperity eman-ating from the South-East. Its convenient location at the centre of England combined with its excellent motorway and rail links are attracting the bargain-hunters, and office rents and land val-

ues have begun to move up.

The Black Country today may remain an area of obscurity to a large part of Britain's population. But that now looks as though it is starting to change: the next few years could well be the ones that put the Black Country back

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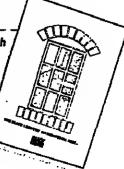
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BILL FRANCIS, chairman of the Black Country Development Cor- revolve principally around Sandporation, likens his team to a 303 well MBC, whose Labour leaderwill free the area's social, envi-ronmental and economic prob-lems. Those who may be the social shop fought the idea of an urban development corporation as far as, but not into, the High Court. lems. Those who may have to Most of BCDC's designated nine bite the bullet include both central government and the local authorities. Their 12-bore pellet approach, he implies, has failed to hit the root cause of Black

Country decline.

Not that the current president of the Institution of Civil Engineers, the man who put Tarmac on the highroad, is planning to gun down those in his way. On the contrary, he says, getting is the joint marketing of Sand-things done is all about consen- well Mail, a huge retail and lelsus and co-operation. He doesn't even seek the trophies. His reward will be in the transforma-tion he boasts is already happen-ing to a messy and problematical patch of industrial Middle

England. BCDC, everybody's shorthand for the corporation, got under way only last summer but has shown its mettle by persuading Whitehall to finance a crucial £50m spine road which opens np the most derelict and inaccessible areas to the motorway network.

Bill Francis says that the project was secured post-haste between Mrs Thatcher's visit to the Black Country in September 1987 and March this year by per-suading the DoT to "trunk" it. That way, the road's cost will not mining, and site reclamation be deducted from the £160m pot for by British Coal, goes on. available for BCDC enterprises during its five to seven year life, during which time it is expected to lever another £800m of private

Local authority relations square miles (soon to be extended by three separate sites amounting to 750 acres in Wolverhampton) falls within Sandwell. The borough is by all counts except unemployment the area of high-est deprivation within the Black

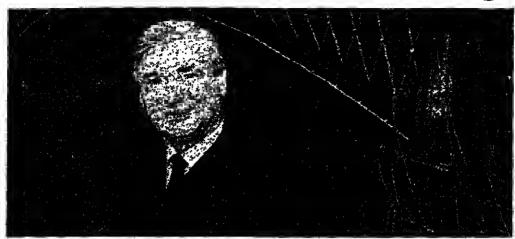
the first major sign of co-opera-tion between Sandwell and BCDC well Mall, a huge retail and lei-sure centre beside the new spine road on the former Patent Shaft steelworks and Moorcroft chemi-cals site at Wednesbury. In real-ity, Sandwell Mall dropped conve-positive into BCOC's others after niently into BCDC's sphere after the withdrawal from the scene only three months ago of Came-ron Hall Developments, the Gateshead MetroCentre people.

The 125-acre site already had outline planning permission for 4m sq ft of shopping-related activity, but protracted negotia-tions with Cameron Hall faltered when British Coal announced its plans for opencast mining in advance of redevelopment. This, however, is no bar to BCDC, which plans to help put a development package together while mining, and site reclamation paid

Opportunist that he is, Bill

The Black Country Development Corporation - and its leader

A single-minded objective



Francis proposed a partnership is based on Sandwell Mall's stra-deal with Sandwell, which will tegic position. He believes that it posed monoral to Merry Hill. Bill factory units. There simply was retain the freehold of Patent will be complementary to the Francis says he would be not time to plan ahead during the Shaft while BCDC take over the Black Country's other major delighted to see Sandwell Mall fierce recession of the early 1980s,

smaller Moorcroft site. Both free holds are to be transferred to the chosen developer. Assuming all this happens, BCDC collects plus points for bringing a £200m developer, opment into the area, again at little cost to itself, while Sandwell starting and now reaching department store stage, has little cost to itself, while Sandwell shed. Roy and Don will be proposed in the board starting and now reaching as as by the creation and nurturn of industry, and by its major developers. The Richardson, the local twins, as iobs plus a big boost in rateable value and image.

Mr Francis says his confidence is based on Sandwell Mall's strategic position. He believes that it

every three metal-bashing businesses disappearing and a resid-ual 1,300 acres of industrial dere-

Assembling practical packages from the 200 derelict sites, many of them under 20 acres, is an immediate concern. It is far more difficult than in Tesside or Trafford Park, where the redundant indu rain, where the redundant industries and the plots they left behind were much higger.

To speed the process, BCDC wields twin powers of vesting public sector land and compulsory nurchase for that in reluction

sory purchase for that in private ownership. Mr Francis would prefer to use neither. He advocates the stick and carrot approach, but laments the Government's decision to exclude Dudley Enter-prise Zone from the designated areas. Ha would have used the enterprise zone to tempt compa nles into less immediately excit-ing parts of the Black Country by offering some sort of quid pro

Instead, it will be tough going in the early years to generate the onfidence necessary to attract bigger investments. Apart from intermediate area status, which applies throughout the West Mid-lands, the development corpora-

The BCDC area is not short of

or jobs (50,000). One prime task is trial development, totalling 85 to look after the traditional businesses which have weathered the 2877,500 in the Sandwell treasury, recession, help them modernise, along with a 2700,000 land reclarecession, help them modernise, and reinforce jobs. Another is to and remners jobs. Another is to encourage a better spread, including new service and distribution industries, making the Black Country less vulnerable to economic downturns.

Within its lifespan, Bill Francis believes that BCDC can demon-strate capital growth returns which will bring in the large office and industrial property developers. There will also, he developers. There will also, he predicts, he major new wealth-creating manufacturers present. He told Mr Nicholss Ridley, the Environment Secretary, that his job would be much easier on this score if BCDC could offer flexible capital equipment allowances to suit need. But he accepts that this is flying in the face of the Government's regional policies.

In the meantime, BCDC is implementing a crash environmental programme based on a classic green-fingers approach, but is also intending to make full use of its 25 miles of canal system Ironically, this enduring leg-acy of the Industrial Revolution seems likely to he a principal attraction for private house-builders and leisure enthusiasts.

It recently announced its first acquisition of sites for private housing from Sandwell MBC. The five sites, plus a sixth for indus-

mation contract. Such are the benefits of having a comb-rich quango in your midst.

So why, in Bill Francis's opinion, will BCDC succeed where so many public bodies have falled before? It is all, he reiterates, a matter of direction. The compact development corporation teams, bolstered by board cordaris with local industry as well as local authorities (and Sandwell hanauthorities (and Sandwell handles development control on an agency basis) has its eights firmly set on one objective to engender a self-sustaining, halanced economy in the heart of a rejuvenated Black County. Then it will happily disappear.

Single-mindedness is bound to single-mindemess is bother to bring pressures and conflicts dur-ing BCDC's brief life. By setting itself up more like a PLC than a public corporation, and by con-tracting out all the work on the ground, the corporation is poised to become a very special sort of enabler.

But so much depends on per-formance standards obtained at one remove. And nobody is more aware of the need to deliver than Bill Francis, who has aiready served almost one third of his initial three-year contract.

Robert Waterhouse

Co-operation

Four authorities which need each other

BEFORE TODAY'S local elections, Labour was in firm control majority in Dudley. Conserva-tives just held Wolverhampton, while in Walsall the non-Labour grouping of Tories, Independents and Liberals ran a classic hung

Black Country politics are notoriously volatile. Yet, what-

ever the line-np after today's ings with Mr Tom King, then strategic issues, will proceed

Its origins go back five or six years to the time when the local economy was in ruins following the sudden onslaught of recession. Council leaders had meet-

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Scridwell has pvaliable a range of grants and

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Telex: 335562 San Hell, West Midlands, England.

count one sure bet is that Black Environment Secretary, who Country Co-operation, an alliance encouraged them to co-operate on between the four authorities on a semi-formal basis. The authorities found ready ears for reclamation initiatives, if not for joint economic development. However, by November 1984 the West Midlands had become an assisted area. A consultants' report confirmed the problems.

But then, in April 1986, came abolition of the county council and a new sharing of responsibilities between the seven West Midlands boroughs. The Black Country identity of Walsall, Woiverhamp-ton, Dudley and Sandwell was reinforced. Birmingham stood alone as the biggest unitary authority in Britain; Coventry

ham's pull. Wolverhampton is teries. their nearest essay at a sizeable In

So the four boroughs and the don (all of 120 miles) and the Black Country Development Corports (ship-ontifiting used to be a ports (ship-ontifiting used to be a major trade), the well-informed chipped in £25,000, along with captains of industry also smaller contributions from British Telecom and W&T Avery, for skilled and flexible workforce, an 18-month campaign aimed at cheap labour and low house decision-makers within but principally beyond the area.

Local residents' view of their

cipally beyond the area. Its ammunition is an attitudes own patch proved less stereo-survey commissioned from Gal-typed. If only 65 per cent believed Inp and sponsored by seven major companies which ones-tioned a national sample of 2,000 and a local cross-section of 1,000 Far from threatening rebellion, as well as 43 national and 30 local they thought the Black Country opinion leaders about the Black had fewer problems than the Country. The survey produced a nation as a whole and they predictable swathe of negatives expressed general satisfaction at predictable swathe of negatives to be countered, as well as several positives to be embraced.

centre, but given the delightfully national survey respondents selective parochial make-up of the area believed it to be a heavily indus. Mr Ha parochial make-up of the area believed it to be a heavily indus. Mr Harrold heads the secretar-there is no intention of straining trialised area of high unemploy- iat providing back-up to the joint ment, depressed, polluted, and advisory group on Black Country Co-operation is confined to issues like land reciamation, road ion. Similar conceptions were and rail infrastructure, EC bids held by the national opinion for described elsewhere in this surmers, whose mind picture nated councillors from each borvey), tourism and the Black painted a grim, polluted, derelict, depressing landscape.

However these important onto

Country Image project.

Image has become a thorny subject in and around the boroughs. The feeling, shared by public and private bodies alike, is that poor image, not to say misconceptions, belie the great changes taking place in the Black Country (20 miles?), not close enough to motorways (what about the M5 and M6?), too remote from Ion. and M6?), too remote from Lon-

Local residents' view of their they lived in the Black Country, 44 per cent said they would object to any change of name. local authority services.

ral positives to be embraced. All of which creates a tall For instance, just where is the order for Marketing Team, the regained its separate city pride; Solihull relaxed into suburban affluence; but the other four needed each other.

At around 1.2m inhabitants in total, the four authorities feel capable of countering Birming-capable teries.

In overall image terms, the campaign will be becessarily

CONTACT JOHN CLARKE, MARKETING MANAGER

ilar job at Dudley. Last month the group appointed its first full-time co-ordinator, who is attached to Walsall but divides

Indeed, several officers now have the unusual challenge of serving all four boroughs at the same time. Once they have got over the jibes about a perfect excuse for skiving, and the deeper suspicions these bide, they enjoy the experience.

The boronghs have allocated an annual £200,000 budget for cooperation. This, too, is small er, but officers such as Wolverhampion's deputy chief executive Mr. Terry Gilbert stress that the budget bonds four powerful authorities with a combined purchasing power of over £100m. whose consortium makes costsavings for ratepayers and places business with local suppliers. Is it a coincidence that the

pace of co-operation has been stepped up following the arrival of BCDC in the boroughs' midst? The question brings polite den als from the senior officers, but a group of four younger men at Sandwell MBC plainly welcome the challenge. They have become more pro-active, and more aware of their role in serving a public which would not observe local authority boundaries even if it recognised them.

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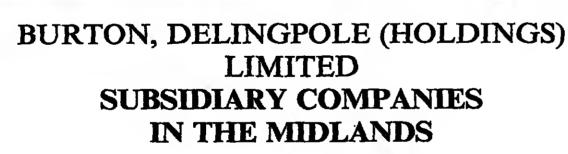
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Robert Waterhouse meets regional Chamber of Commerce leaders

Hue of an image problem

TOGETHER, the Chambers of

the biggest, with a full-time staff right to information. But they Truslove. of 65, is taking training initia-tives which extend well beyond its nominal boundaries; Sand-well, the smallest is only just emerging from under the mantle

country for

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of the Birmingham chamber.
In a round-table discussion with managers and chief executives of the four chambers, a mostly optimistic picture of the Black Country economy emerges. However, doubts remain about the strong pound, skill shortages allied to residual unemployment, the Black Country's image and the role of the Black Country Destalement. cent Corporation.

Mr John Rice, Wolverhampton chamber's chief executive, reports mixed feelings about BCDC's growing involvement:

"The political implications offend local pride," he suggests. "There has been a lot of unhappiness and misunderstanding, but those local authorities physically affected must come to terms with the fact that if there is money available, they would be very naive not to take it."

He sees the chambers' role in this as a facilitator, encouraging harmony. Because they will be around long after BCDC departs, they have to sustain credibility with the local authorities.

Mr John Carter, Dudley's manager, says that the chambers have already helped to bridge the gap over issues like the Black Country Trade Fair, where the two were "miles apart."

There will be projects where BCDC is under tremendous pres-sure to show it's delivering while the local authority has other ideas," adds Mr Rice: "Our task is to ensure that the private sector does what it can to keep a level-

However, businesses must be kept fully informed to play this role successfully, and Mr Robert Truslove, Sandwell's manager, claims this is not yet the case. "We feel there should be a regular forum with BCDC; not necessarily following an agenda, so sarty lottowing an agenus, so that we can relay progress to members. Sandwell companies are building up antipathy to the corporation because they just don't know what's going on.

The dilemma of reasonably buoyant order books and structural unemployment

problems, what about the four because industry itself will say local authorities and their Black what it needs. There's such a pro-Country Co-operation initiative? liferation of advice at the Walsall's Mr Frost is not optimistic. "The local authorities in als find it is this area are totally incapable of through. In working together," he claims. sooner rather Wolverhampton's Mr Rice is is enough." more philosophical. There's a question of vision. Local authorities, by their very nature, are parochial, and the Black Country is a collection of villages. They have always argued that they, know best how to spend any The change of image is impormoney, but I don't think that's tant. Sandwell MBC has a rather

For every major employer in the won't get a more more emotive. Black Country there are hundreds of small firms. They are the issue – how difficult it is to recruit good quality surgeons ideal recipients of government add, but very often the minimum grant level is far too high for them to cope with and the bureaucracy is beyond them."

Sandwell's Robert Truslove argues that many Black Country amail: firms so through the medical care. But we are stock

Are the chambers in a position "What we need is a government it has spent trying to get across revolution." the Enterprise initiative. We Mr Carter voices a frequently-would say that there is no more held opinion that the problem cost-effective way of reaching with the Black Country image small firms than through our starts in its very name. Natives constituent members."

TOGETHER, the Chambers of Commerce of Walsall, Wolver-hampton, Dudley and Sandwell made of such bodies? be found in the business advice that came when the development compresent 3,500 companies in the Hack Country boroughs.

The chambers are strong and flourishing, though each has a different inistorical role, Walsall, the biggest, with a full-time staff.

must realise that the chambers Mr Frost has a feeling that in tan be a useful vehicle. We have the long-term agencies will pull industrialist members on their together to form one-stop-shops, oard." town by town. Mr Rice agrees: If BCDC had communication "Yes, this will come about

> moment that even wa profes als find it hard to see a way

> through. Industry will say, somer rather than later, enough Various moves are afoot to improve the Black Country's internal perception and external image. Do the chambers feel these justified?

Mr Truslove has no doubts. unfortunate uniqueness. It is the What with BCDC, the local only metropolitan borough in the authorities, government, statutourly without an exit to the tory and voluntary agencies all Green Belt. One consequence of offering services to industry, is this is that fewer and fewer ABs the typical small-to-medium bost-live in Sandwell. They work here

ness not just slightly confused?
"We're becoming a bit they don't live here."

Mr Rice says: "If you ask those punch-drunk," Mr Rice agrees. running hospitals — and you

small firms go through the medical care. But we are stuck motions only to find they are with this unfair perception of ineligible for government grants high chimneys, flat caps and cobbecause they form part of a bled streets."

to offer one-stop-shop advice to department to relocate in the inquirers? Mr Frost believes they heart of the Black Country. A are. "The DTI has come under major department, it's not ridicuations for the amount of money lous, given the communications

- and he is one - talk about

trepiece for Dudley Zoo.

right in the middle of it." image apart, is the area not faced with the dilemma of reasonably buoyant order books but structural unemployment several points above the national aver-

"Sadly, in Wolverhampton, we have the highest unemployment in the West Midlands at around 14 per cent." Mr Rice concurs. But we also have full order books, companies working at between 80-100 per cent capacity and finding difficulty in getting hold of skilled labour. The trou-ble is that one man's skilled toolmaker is another man's semi-skilled operative."

In Walsall Mr Frost finds that many of the traditional skills, still badly needed, have disappeared from the labour market.

Typically, these were held by people in their 50s who left industry during the shake-out in the early 1980s. And, adds Mr Carter, younger people have been reluc-tant to go into industry hecause they regard it as unstable.

But, acknowledging that the recovery has been under way for 18 months or so, what of the mid to long-term? Mr Carter says: "In Dudley our members have reservations after what happened ear-lier in the decade. There has been wooldn't say it was a boom yet."

Mr Truslove sees this as "natural caution. My members have a fairly beavy commitment to export and the strength of the pound is putting profits on the Wolverhampton may be work-

ing at near capacity, but that capacity is nowhere near what it was in 1979. An overheating economy, in Mr Rice's view, will simply attract imports. Walsall, again, differs. "We had

a discussion among 20 manufac-turers the other week, says Mr Frost. "They reported amazing baoyancy and saw no evidence of the pound affecting them. They're banging in new plant as they need it. The only restriction is availability of labour. Confi-dence has taken a long time to rebuild, but it has become

DUDLEY IS an engaging mix of market town, castle ruins, industrial landmarks and what Pevsner called "cheery suburban housing." The castle, set between the town centre and the long slope into the Black Country proper was a second to the country proper was a second to the slope into the Black Country proper was a second to the slope into the Black Country proper was a second to the slope into the Black Country proper was a second to the slope into t Country proper, was men-tioned in Domesday but dates mostly from the 14th and 16th centuries. This century, the castle keep has served as cen-

Down the hill towards Oldbury and Tipton bearings get confused by a former Freightliner depot, but the open-air Black Country Museum is really just round the corner, and part of a 150-acre recre-ational site which includes the Dudley Canal, leading to the limestone Singing Cavern. Despite obvious potential and excellent individual parts, nothing quite hangs together. In September 1985 Dudley MBC, the site owners, commissioned an English Tourist Board study which recom-mended three options. The first was simply to minimise costs. The second was to

develop individual attractions in isolation. The third, since dopted by the council, was to improve constituent parts while creating a central linking theme, Black Country World, to put it in the major visitor league.
As proof that it meant business, Dudley's Labour council

last year spproved a 55.73m initial development plan to be completed by July 1989. This pump-priming exercise will improve infrastructure and provide at least one new major exhibit at the museum, the canal and the zoo — which are each managed by their own independent trusts. Later this month the council plans to form the Council Will Demoke form the Castle Hill Development Company in partnership with the three trusts to attract private sector capital. A masterplan indicates that Castle Hill's greatest current weakness - space - can become its strength, with adequate room for all sorts of activities.

Commercial ideas include foint ticketing, a young children's adventure park (but not another Alton Towers), a mar-ket square with pub, restaurants and speciality shopping and a 50-bed hotel. Develop-ment should be nearing conpletion by the mid-1990 Mr Viv Astling, Dudley

MBC's new chief executive, who is also the Black Country boroughs' lend officer on tour-ism, says that Phase 1 will ism, says that Phase I will increase visitor numbers from 500,000 to 750,000 annually and should create some 1,500 jobs in the town. It will begin

Dudley

The open air museum

to reposition the grea in tour-ist terms and stimulate inter-est in hotel building.

However the proposals are seen as a mixed blessing by Mr Ian Walden, director of the Black Country Museum. His trust stands to benefit from a film mining exhibit, but increased numbers could upset the delicate balance between conservation, education and pure enjoyment both on the part of visitors and the local workers whose enthusiasm at

the museum is so evident.

The museum's origins lie in the maseum's origins he in the early 1970s, when worries about the fast-disappearing artefacts of traditional Black Country life led to the trust being formed, and supported by West Midlands County Council as well as Dudley. In fact, says Mr Walden, local

industry had been so busy over the years that not a great deal remained of the early days. But pieces were set aside in readiness for the move onto site in 1975.

Since its establishment the Black Country Museum Trust has raised £3.5m, reclaimed and landscaped a difficult site dotted with 40 mineshafts, as well as e former brickworks and lime kilns. It has recreated the nucleus

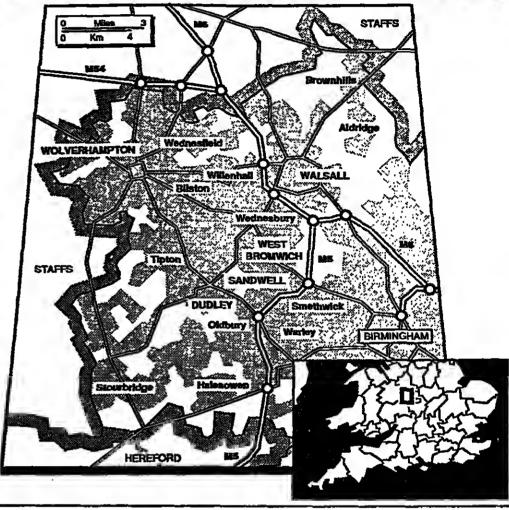
of a period working village, with shops, a pub and Method-ist chapel, and housing. Most buildings were re-assembled brick by brick from other sites in the Black Country. The village incorporates a small rolling mill from the Birchley works in Oldbury (donated by British Steel), a steam bam-

strated by staff. The museum's canal boats form a natural link with the canal trust.

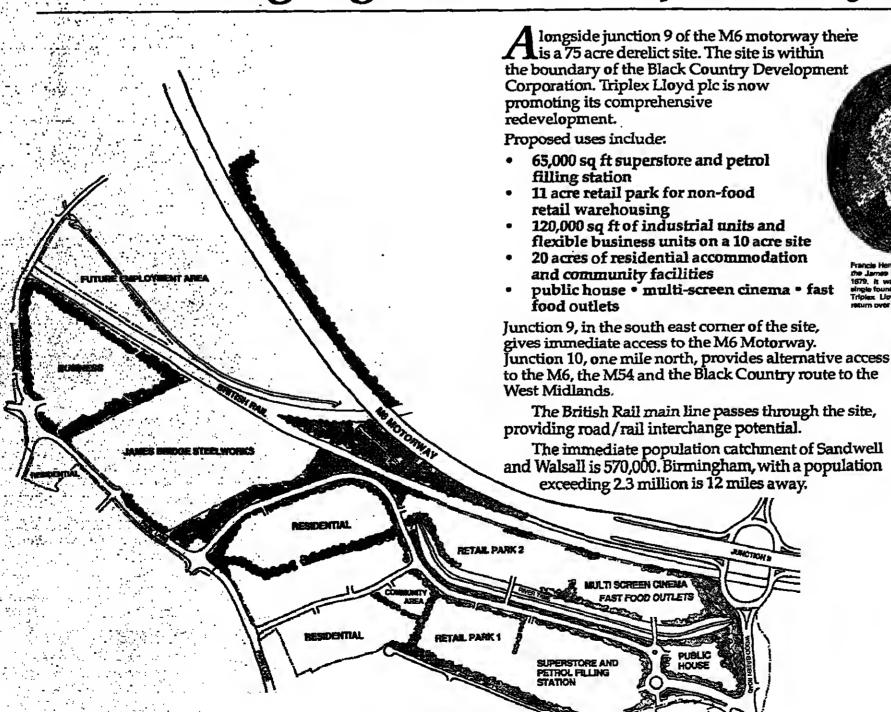
Without the museum, Black Country World lacks authenticity. Equally, the museum needs visitors. Revenue from its current annual pull of some 250,000 still does not quite meet running costs, and there are ambitious future schemes beyond the mine.

One proposal is to extend the museum tramway system into Dudley's bustling town centre. Thet way, the real world will keep tabs on Black Country World in a way that even Disney could not fabri-

Robert Waterhouse



Park Lane, Wednesbury an exciting regional development by Triplex Lloyd plc



The site is well served by local schools and convenience shopping and local services are available in Walsall and Wednesbury.

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established his James Bridge

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For further details of the Park Lane development contact:

David Yeates Development Director **Park Lane Property Developments Ltd** Tel 021 557 6211

Malcolm Gloster **Development Partner** Grimley J.R. Eve Tel 021 236 8236

TRPLEX LLOYD

Triplex Lloyd plc Upper Church Lane, Tipton, West Midlands DY4 9PA Tel 021 557 6211 Fax 021 520 8776

A bid for £196m

Country's "Mr Europe," who is becoming as well-known in the Brussels directorates as in Wol-verhampton, the lead authority

on Europe. Mr Jones, a multi-linguist, believes that the secret of

successful negotiation (given the

good case he represents) is two-way involvement and a high

profile for ERDF infrastructure

Between 1984 and 1987 the fund

approved £32m of grant aid, including £16m for utilities, on an

od hoc basis. The present aim is to put together a five-year rolling fund of projects which, including

European Social Fund backing for training initiatives, will belp

transform the investment climat

in what remains one of Britain's most important manufacturing

Integration, however, depends on joint action not only between

the boroughs but with the DoE, the public utilities and other public agencies like the Black Country Development Corporation.
Their endorsement of the propos-

als will be sought before Brussels can make a response (this Octo-ber at the earliest) followed by

approval next spring, with cash

The matter is complicated by the Commission's additionality

rulings — which try to ensure that Whitehall does not simply substitute EC funding for its own, and that both local and can-

tral government play their part. Two major infrastructure pro

jects are excluded from the bid.

The 550m Black Country spine route already has full funding secured from the DoT; the 554m

Wolverhampton-Birmingham

first phase of the proposed West Midlands Light Rapid Transit

system is the higgest single eco-nomic generator, but bids are likely to be entered as the project

Road schemes account for more than half of the £196m. But

other major areas are utility services (£20m), tourism development (£13m), derelict land treat-

ment (£10m), improving public transport (£9m) and small firm

"I have every confidence that

we will in the main win approval for our bids," says Mr Jones. "They are anything but fanciful. They allow necessary infrastruc-ture spending to be brought for-ward on an agreed timetable."

advantage for ratepayers of reducing local authority debt-re-

Like every other British opera-

tor on the European stage, Mr. Jones has to carry Brussels alongside Whitehall without being thought to play one off-

doubts that the Black Country case is sound. In European eyes, the economic and social shoddi-

ness so apparent, from observa-tion as well as statistics, is crying

out for cure.
"We're moving rapidly the

other way from much of Europe, Mr Jones claims. Brussels does

not like that in a member state

which increasingly, by reputa-

Robert Waterhouse

tion, favours private affluence at the expense of public squalor.

gets under way.

creation (£9m).

payment liabilities.

THE West Midlands has allies in Erussels, but for unenviable reasons. According to the European Development Fund. Now the Commission's synthetic index of regional problem areas, it emerges as Europe's most deprived industrial conurbation.

The bid is a working example of the convergion. deprived industrial conurbation, just ahead of Merseyside. In UK terms, only Northern Ireland ranks lower. On a 100 per cent norm, the West Midlands scores

The bid is a working example of Black Country Co-operation, the semi-formal grouping of Walsall, Wolverhampton, Dudley and Sandwell boroughs. In fact, it is

Mr John Jones, the Black Country's Mr Europe. has to carry Brussels alongside Whitehall without playing off one against the other

68 per cent compared to Greater the first joint attempt by local Mancheater's 93 per cent and Greater London's 135 per cent.

The first joint attempt by local authorities to obtain National Programme of Community Inter-Mancheater's 93 per cent and Greater London's 135 per cent.

While some may dispute the solid prospect of project funding. Closing regional disparities within the Community takes on a fresh urgency in the run-op to the integrated market. Birmingham has already secured £113m for an authorities to oficial National Programme of Community Interest moneys. Its hackground report, commissioned in July 1967 from Roger Tym and Partners, was half-funded by Brussels — another first, and a sure indication of European interest.

Mr John Jones, a former polytechnic lecturer, is the Black

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Park Lane commitment to region

THERE ARE uncanny resonances between the North-East and the West Midlands when it comes to looking at private sec-tor-led schemes to turn derelic-tion into development.

Though there is nothing in the Black Country - yet - as ambitious and audacious as the Gateshead Metro shopping complex, it can only be a mat-ter of time, for there are plenty of companies and individuals poised to bring about the same kind of transformation.

With land available at low but rapidly rising prices, enthusias-tic local authorities and capital looking for a new role, the trend has a natural logic.

Last month, Triplex Lloyd applied for planning permission to develop a 75-acre business, leisure and research complex on land it acquired when it took over F.H. Lloyd a year

The application for the site - the old James Bridge steelworks beside the M6 at Darlaston is almost certain to he

approved. The Black Country Development Corporation has been closely involved with preparation of the plan, which coheres with

The property market In the West Midlands is moving fast

the BCDC's wish to hreathe some life and loveliness into a worm-out landscape. The project would cost around £60m and could create some

750 jobs in the region. It makes sense for TL, which, after massive reorganisation over the past five or six years, has been steadily adding property and land management to its basic business, now divided into the three main divisions of foundries, building components

and engineering. And, he notes, they have the advantage for ratepayers of year and has 3,500 on its pay-

new subsidiary, Park Lane Property Developments, has been set up to organise and establish the complex. Mr David Yeates, its managing director, sees it as a perfect main sources: initial capital from the local authority for exemplar for public private partnership in run-down urban

Local authorities have been desperste for genuine develop-ment. Here, they've welcomed

ment. Here, they we welcomed our proposals with unusual warmth," he says.

The Park Lane plan has some inevitable components—superstore and filling station; public house and multiplex cinema; warehousing and modular business units. But it will also accommodate TL ple's internaaccommodate TL plc's interna-tional head office, currently situated in a shabby building near Tipton; and there will be a housing scheme covering 20 acres, with associated community services and parkland.



Mr David Yeates, managing director, property division,

Mr Jim Doel, chief executive of the TL group, says the plan reflects the buoyant state of the company and its commitment to the region: "The West midlands is geographically right for us. The workforce is right. We want our base here.
"And we can be part of the process of removing all that is ugly and replacing it with developments every hit as attractive as those elsewhere in

This is not an empty notion, either in general or in substance. The Park Lane project
- carried out oo what is the
largest single derelict site in
the West Midlands - will have
a substantial and beoeficial impact on the environment well heyond the immediate

locality.

For the company, there will not only be the prospect of secure profits on its share of the costs, but a tangible expression of those coocerns listed among its current published objectives: "To promote the good name of Triplex Lloyd and its subsidiary companies to stakeholders, sharebolders, institutions.

land reclamation; cash from TL and a development partner; and finance from an end-user of the site, probably a super-

store operator. Part of the site may eventually be sold by TL to raise cash for additional developments. As Mr Doel notes, the property market in the West Midlands is now moving fast, and business space has doubled in price in

less than a year.
In pure commercial terms alone. the project could not be better timed - and seems likely to satisfy the aspirations of all

Ian Breach

Glassware

The Brierley look

1600s on the last leg of their ley Crystal pool of talent. An search for abundant fuel and fireclay. They found what they wanted near Stourbridge, and a community of flint and lead-crystal glass manufacturers has been applying more or less the same mix of practical and artistic skills

It is a quintessentially Black Country husiness - relatively small in scale but high in product smail in scale but night in brother, volume and quality. For just over two centuries, Stevens and Wil-liams – founders of Royal Brier-ley – have quietly dominated

ley - have quietly ubilimates that husiness.

The firm operates two factories, one at Dudley Port near Brierley Hill, where tableware and ornamental glassware are made; and the other at Tipton, where lighting glass has been manufactured for the past 60 poors.

years.

Their regally warranted products can thus be seen on tables in the Prince of Wales's household or in the electrical department of every Woolworth B&Q super-

A few days ago Brierley Crystal opened a showroom in Madison Avenue, New York, complementing its presence on the sales counters of Tiffany's. In Japan, Brierley competes with that country's Hoya glassware in shops like Mitsukoshi and Isetan. It faces rivals from the Black Country in Harrods and Selfridges. And everywhere the com-pany fights off the competition from Spanish, Portuguese, French and Scandinavian products. Not bad for a company with 600 employees and a modest turnover of £10m annually: even more so seen from the environment in

This heart of the Black Coun-This heart of the Black Country is unimposing to the point of dreariness; potholed roads and congested local towns make access tiresome; the local urban scene is pinched with signs of poverty surrounding the old, traditional bottle kilns in this part of the West Midlands.

of the West Midlands.

But Brierley Crystal is a beacon of industrial vigour and optimism. Having survived recession with only a brief though painful cuthark two years ago, when the company shed 30 employees, it has just taken on 11 young workers. They will embark on a career in which almost everyone becomes an expert and an enthu-

modernisation. But lead crystal glass still depends for its stan-dards – and therefore its appeal on skilled working by hand both in the shaping of molten glass and the decoration and engraving of stem and other

The firm operates a training scheme aupported by the National Flint Glass Workers, a non-TUC-affiliated union. Most of the skilled employees are young; several have benefited from the glass training course at Dudley Technical College. Indeed, the Stourbridge Crystal Glass Manufacturers Association has strong links with education and training bodies.

According to Mr David Williams Thomas, managing direc-tor, work experience youngsters have found their time with the firm much the same as an extended interview, during which we all learned a lot from each other."

Apart from craft training, there is now a steadily growing empha-sis on the acquisition of keyboard

ROYAL BRIERLEY Crystal is a direct industrial descendant of the Huguenot glassmakers who left southern England in the areas to contribute to the Brier-

A career in which almost everyone becomes an expert and an enthuslast

lines.

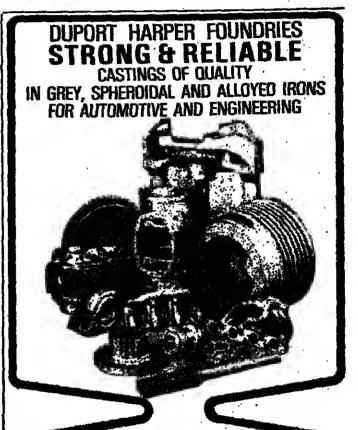
Like so many old Black Country businesses, Brierley Crystal seems equally at home with bespoke orders for individual customers or with long-run but equally distinctive products for large markets like Next and British Home Stores.

The firm has responded to fashion in gift and stem ware and can compete as comfortably with Nordic simplicity as it can with the florid ornamentalism of the southern European glassmakers. But there is no doubt that the competition, overall, is as stiff as

it has ever been.
There has to be, in Mr Williams Thomas's words, "a Brierley look that justifies the royal warrants we have held from each

monarch since George V." The company seems the very model of that success which is so at the Royal College of Art; so rare: manning levels in equitheir way into main product
Like so many and an art shopfloor relationst excellines.

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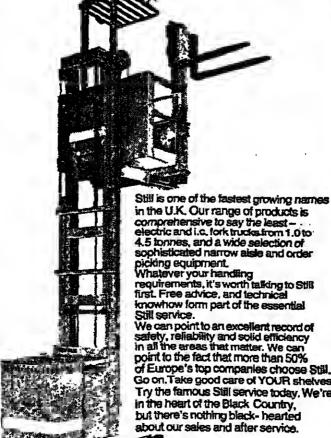
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Risk capital and advice for region's companies

Help on hand from all sides

ABOLITION OF the Metropolitan County Councils in 1986 followed interminable criticism by the Conservative Government of what it saw as unrealistic and extravagant spending policies. Whether their successor authorities have secured better value for money on a parallel range of services to the ratepayers is a most point and undoubtedly depends on the way the figures are ana-

lysed.

Before their disappearance, most of the Met counties bad made some long-term commitments to their regions which can be measured. In the case of West Midlands CC, a major obligation which survives its passing was the setting up of an enterprise board, constituted as a limited company to raise risk capital for

By the time the old council had been dismantled, flam had been vouchsafed, through the Enterprise Board and its subsidiary prise Board and its substituty companies, and between 40 and 50 local firms were being given assistance. Today, seven of those firms have been sold at a profit, seven disposed of at a loss, and 27 are still on the WMEB project

Currently, around 29m is invested in these undertakings. They range from steel foundries to textile manufacturers, printers to brewers, general engineers to springmakers. Half of them are in the Black Country. What they have in common is the link to a set of financial and technical packages so successful that WMEB is now regularly asked to provide the same kind of help to institutions way beyond the boundaries of its region – Oxford, Swindon and Leicester have approached the board on the basis of a reputation for solid and shrewd management estab-

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isshed in only six years.

WMEB has a lot to offer. For placed to regional credibility, it has a list on many of directors — largely drawn from highly qualified professionals who are also councillors -who have unrivalled collective als who are also councillors — ever-growing links between the who have unrivalled collective CBI, local authorities, chambers knowledge and understanding of of commerce and marketing the West Midlands and its probagencies. Of all the institutions lems. The board has a wide remit charged with helping the West but tight control over all the Midlands out of recession, he investments, drawing on an economic development team largely taken over from the Met county and therefore familiar with the complex and sometimes conflict-ing objectives of local anthorities

up, with Lazards, a regional unit is too soon to see how the links reconstruction of the economic trust fund, with a film portfolio that can be managed inside or over hid for the word "enter-industrial relations, higher prountside the region from cash raised through unlisted and unquoted securities, local authority pension funds and charities.

Midlands. Since it was granted to be a key ingredient in creating Generally, the unit trust fund offers between £75,000 and £750,000 for start-ups and established businesses with sales in contons advantising in all local assistance than others in the fund fakes a minority.

The fund takes a minority is too soon to see how the links reconstruction of the economic will develop. Having made a take-base: demanning, improved ductivity and quality, and a raising of market expectations.

The DTI schemes are intended to be a key ingredient in creating the climate of response to these size to 120 employees with a factors. Black Country firms much higher profile, enhanced by qualify for a larger proportion of assistance than others in the stim-£19m range.

The fund takes a minority

back-up from relevant profess als and through its other activi-

Technical Transfer Limited Golutly with Aston University), WM Co-operative Finance, WM Training, WM Clothing Resource (the region has more textile workers than West Yorkshire) and WM Welfare Rights Agency. It is a formidable assembly of financial, industrial, political and doing for regional revival.

The spread of interests now means, for instance, that very small firms, turning over less than £75,000 and in need of only modest financial aid, can call upon the same pool of skills and advice as the biggest companies. Community lawyers can get wel-fare benefits training; manufacturers can tap into national R&D

advise on industrial relations and shopfloor management for the many companies in the area with limited experience of these skills. Similarly, a high proportion of firms has little or no knowledge of exporting: again, WMEB can guide and propose planning for selling overseas. It is also ideally placed to make recommendations

Mr Vincent Young, chief executive of WMEB, says he is seeing sees the Enterprise Board and its change, and not the response to

Ideally, what the WMEB is

schemes in January this year,
many companies.

Typically, firms receive profescome to the DTI offices in Birmingham — many of them from the Black Country and a large are issued within three weeks, proportion interested in the control of the proportion interested in the control of the proportion of the profession of the proportion of t offers to put in temporary coun-from a panel of 50 or so semi-re-sellors in key business areas like tired professionals, is contracted

social strengths, in many ways a Regional Selective Assistance model of what a non-government scheme, which has already made organisation can and should be 1,200 grants available in the past Regional Selective Assistance Association at Melton Mowhray, scheme, which has already made the Institute of Marketing at 1,200 grants available in the past Warwick University, the Council four years: a total of £112m is of Industrial Design, and 3i's reckoned to have generated Enterprise Support Initiative. investment of £1bn and created or safeguarded more than 50,000 expects to be responsible for 5,000

prevailed among the thousands very urgent no of small companies in the region. try business.

At an early stage, WMEB set of Trade and Industry, though it He notes four key stimuli to up, with Lazards, a regional unit is too soon to see how the links reconstruction of the economic

The fund takes a minority And the response has been with the emphasis on rapid and stake, appoints a non-executive buge Following the launch of the simplified application procedures, director, and provides advice and department's new range of has meant a quick take-up from

liancy service, where the DTI a resident consultant, drawn sellors in key business areas like tired professionals, is contracted marketing, design, quality assurto them at a subsidised fee. The ance and high-technology mann-consultants' work is complefacturing systems.

This is in addition to the duction Engineering Research

jobs.

Mr John Brown, DTI manager tracts. The tone and terms of all responsible for the new Enter-the department's overtures in prise initiative, perceives strong this strongly suggests that there recovery signs in the Black Coun-will be a genuine marrying of the try, with the DTI helping to sus- Government's new long-term tain and revive tha traditional strategy for industrial renascence entrepreneurial spirit that once with the more immediate and

Traffic bottlenecks

A quicker way from A to B

For the West Midlands in general and the Black Country in particular, that boast is an honest and verifiable one: by geo-graphical definition, it sits astride and at the centre of the nation's major routes. All the bet-ter, in theory, to move the raw materials in and the finished articles out of an area that produces 40 per cent of Britain's manufactured goods.

But just as good electrical wiring will not of itself prevent an overload, so the West Midlands transport network is pressurised to the point where the circuitbreakers are increasingly tripping out. So busy are the major routes with intranational traffic that the region has become a vic-

tim of its proximity to them. Routinely, and even without roadworks, contraflows and lane closures, it can take an hour to travel the first 10 miles northwards, southwards and eastwards out of the towns adjacent to the M5 and M6. The kind of vehicular thrombo-

sis one now sees regularly where cured only by massive road development that separates local-only traffic from the long-distance.
But even partial relief here is a

long way off: the new major three-lane dnal-carriageway planned to take vehicles from the

EVERY INDUSTRIAL development agency throughout the land the M6 up to Cannock on that communications which, notably, work, with articulated cars on a daims that its region has unsurposed communication links by road and rail with the outside world.

EVERY INDUSTRIAL development of Birmingham section of or improved local and regional PTA plumped for a twin-rail net-tommunications which, notably, work, with articulated cars on a includes the Midland Metro Light work will not start construction before Rail Transit system, an £800m but the Metro will be about far network, the first phase of which more than the efficient movement of the region's 2½m residence. of the century.

Until then, and in addition to all the indigenous traffic, 100,000 vehicles a day are competing for passage within, to, and through the region, with a backwash that impedes movement on the rosas It is intended to be financed and streets around Wolverhamp-

Two major road schemes here should provide much needed relief in the shorter term: the Black Country Route (already begun), which connects Coseley on the Birmingham New Road with the M6 at Junction 10; and the Spine Road, which will take traffic from Junction 1 on the M5 through to the Black Country Route, reducing pressure in tha West Bromwich area. Both are

On the face of it, this is an on the face of it, this is an expensive solution, especially in the case of the Black Country Ronte, which is only 7km in length. Partly that is because very considerable civil engineer-ing problems have to be over-come, with disused mineworkings riddling the route, 10 major bridges to be constructed, several watercourses to be diverted, and

taken.
But the completed road will be more than a mere connection: it will open up more than 1,000 acres of development land which, at the moment, is an industrial wastescape. It will also re-route traffic away from the centres of

Willenhall and Darlaston, One of the abandoned Rubery Owen works near Willenhall has been taken over by Verson Wilklargest vehicle-body presses. When the Black Country Route is complete, in two years' time, rail Metro in its interchanges these will be low-loaded direct with car parks, BR stations and onto a new slip road less than two miles from Bentley Junction

The Black Country's road building programme is an ambi- problems of saturation and contious part of the overall strategy gestion on the roads, examining to revive both industry and the the performance and cost-effecenvironment in a worn-out and

It goes together with a long-term goal of truly fulfilling busways like those operating in those much-vaunted claims about Runcorn and Redditch, and driv-

mentary Bill due to be deposited

This will be for a 20km route, mostly on a disused BR line, from Snow Hill station in Birmingham to Wolverhampton town centre. through a public-private partnership involving the EC Regional Development Fund, the British Government, seven local counprivate sector consortia.

The Midland Metro is an about-turn for an area that chokes on the motor car

getting the first leg of a rapid-transit web that will be spun to the western edge of the Black Country, south to Stourbridge and east towards Birmingham An earlier attempt to get such

An earner attempt to get such a system in place was dropped just before the abolition of the metropolitan county of West Midlands. Now revived and technically reviewed, it is modelled on the pattern used in Grenoble two-car rail-and-trolley units carrying around 170 passengers at five-minute intervals and between stops that are 11/4-2 minutes apart

Continental Europe has more than 70 such systems running: the Midland Metro would be Britain's first and would benefit not just from the lessons learned across the Channel but from the experience of the Typeside heavy

major shopping centres. The West Midlands Par Transport Authority looked at several possible solutions to the tiveness of American rapid transit systems, the London and Glasaccess and freedom of movement. erless systems like those in Lille For it ties in with an overall plan and London's Docklands. The

ment of the region's 21/m residents, half of them workers, from place to place. It will represent success for two radical strands of transport planning in the West Midlands.

The first is a positive and coherent determination to make communications planning a logical complement to the objectives of environmental renewal, indus-trial development, the er.couragement of tourism and the boosting of badly needed self-confidence. The second is practically an about-turn for an area that chokes on its major product -

the motor car. For three decades, Birmingham and – to a lesser extent though just as significantly – the towns of the Black Country, have designed and successfully built their environment according to the principle of giving free rein to motor traffic. In the centres, pedestrians have been confined to windswept canyons or consigned, like some sort of urban contagion, to bleak, filthy, crime-ridden underpasses.

A recent conference in Birmingham, the very shrine of this faith, concluded that the car was indeed too dominant and that people, instead of being flushed into subterranean oblivion, should be given key priority in

future transport plans.

Mr Bob Tarr, director of the PTA, sees the Midland Metro as part of the breakaway from ideo-logical pitting of private versus public transport. The first Metro link, to Wolverhampton, will be a £60m start to an eventual £800m-11bn project. It will, besides take ing some of the overload out of the system, be a source of jobs and inward investment - and the evidence from more than 120 rapid transit schemes around the world is that it will have a pro-foundly beneficial effect on local urban conditions

Wolverhampton, where Mr Malcolm Reid, assistant chief engineer for the borough, is looking for a similar spin-off from the Black Country Route, can only get better in every way from gow undergrounds, dedicated this new and integrated philoso-busways like those operating in phy in the business of getting

Ian Breach



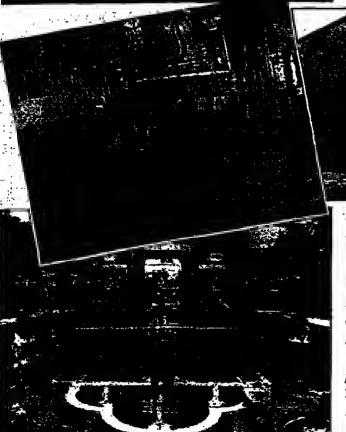
doing should integrate naturally with the work of the Department The Crown shopping centre, Stoerbridge, Dudley

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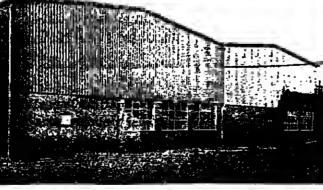
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TWO PEOPLE won the 1987 Midlands Businessman of the Year award. Two people who look alike, work together seven days a week, and combine to set the

entrepreneurial stakes. The Richardson twins, Roy and Don, are property developers whose millions were made with-out recourse to bank borrowing

Born in 1930 in the pall of Round Oak steelworks at Brier ley Hill, Roy and Don Richardson left school in 1944 to enter their father's truck sales business. In the post-war reconstruction years they fuelled the growing demand for beavy vehicles to service local

industry.
By 1980, when recession hit the Black Country with sudden terocity and nobody bought trucks any more, the Richardsons had built up what Roy modestly describes as probably the biggest private dealer network in the

But they had also dabbled in industrial property for almost 20 years, turning surplus depot buildings into a profitable side-line. So, when they were forced to reassess their business, land seemed an obvious substitute for trucks. And land, in the Black Country of the early 1980s, was

there for the taking.

The Richardsons' biggest venture, the one which has made them respected throughout the West Midlands, proved also to be nearest home. They bought the site and surrounds of the former Round Oak steelworks, which had the lure of being within the nan the rure of being within the infant Dudley Enterprise Zone. They planned a mixed industrial area (and to prove it they have 70 commercial tenants on site).

But, testing the relaxed planning arrangements within the

zone, they also persuaded MFI to open a retail warebouse. Roy Richardson notes that it wasn't a particularly profitable deal, but it established retail demand in the area and retail use for the site.

When the Merry Hill Centre, as it is now known, is completed next autumn it will offer almost 2m square feet of retail activity. Its retail warehouse tenants -MFI, Jolly Giant, Halfords, B&Q etc - lead on to a 110,000sq ft Carrefour superstore and shop-

Then came the second-generation freestanding warehouses like Allied Carpets, ELS, Shoecity and Children's World, along with a Pizza Hut and a drive through McDonalds. Tha final phase, called the regional mall, is drawing quality high street names, including a Debenhams depart- seeking handouts. What we want

Robert Waterhouse profiles property developers Roy and Don Richardson

A tale of two citizens working in tandem

shopping by a monorall system, which could, says Roy Richardson, be extended to Dudley town centre, where the council has an ambitious Black Country World leisure project, then through to the Light Rapid Transit line and even Sandwell Mall, a retail development of similar size to Merry Hill in which the Richardsons are taking a "relaxed" interest.

Official attitudes to Merry Hill by any political party, no matter

Official attitudes to Merry Hill vary between hand-wringing and reluctant admiration. Enterprise zones, it is argued, were not creand to spawn monster retail complexes. The retail sector has proved buoyant enough elsewhere without rate holidays and capital write-downs against tax. More than that, Merry Hill has made nonsense of regional planning measures to protect existing towns and cities and control the development of out-of-town cen-

Yet Roy Richardson claims the very existence of Merry Hill has led a fibn investment spree in West Midlands retail developmeot. Put the Bull Ring renewal in Rirmingham, improvements to and a £60m P&O/Bovis scheme for Dudley town centre together with Merry Hill and the proposed

Sandwell Mall, and they all seem to be propelling each other. Although it is within striking distance of the M5, Merry Hill is not particularly well served by roads (another reminder of its unconventional planning gene-sis). The Richardsons make up for this by generous, well-pa-trolled ground-level car parking, and are about to start a minibus service linking the local suburbs

"A development the size of Merry Hill will force the roads to be done," suggests Roy Richard-son. "We built the major road on the site, and are contributing heavily to other road costs which will diminish overall profitabil-

He claims that during its final year of operation, Round Oak steelworks, which once employed 10,000 people, lost £37m. "You can understand why it shut, but it was a catastrophe for the area at the time. The banks, the Government and other bodies have taken considerable funds out of the area, so they should be put-ting something back. We aren't ment store, set around an indoor as businessmen is opportunity.
piazza and water garden. "We were born and bred here.

by any political party, no matter what its colour, because there is very little on which they can cri-

businessmen. But we're busines men who have a heart in the area. And we're proud of what we do. Not only that, profit isn't everything. We meet our social



Roy (left) and Don Richardson: "still the same fellows"

area. And we're proud of what we do. Not only that, profit isn't everything. We meet our social responsibilities."

If walk round Merry Hill every the Dudley Venture, which was night. Sometimes two or three times a day, and on Sundays. I from down south, who think you the Darby and Joan clubs. On the Want to know why certain things the local charities which benefit the Darby and Joan clubs. On the the Darby and Joan clubs. On

policeman or a planner acting But it amuses Roy Richardson like that. That's why city centres are uncared for."

But it amuses Roy Richardson when he meets groups of planners visiting Merry Rill on

chief cleaner at the shopping mall who recently won Merry Hill's monthly cup and cash prize for employee care. "He's probably the best worker on the site. He's ity ourselves, and we dealt with a former steel worker, and was complaints personally." without a job for six years. That's what gives you pride."

Planners and other professionals don't evoke the same respect in Roy Richardson's book. "Plan-ners plan jobs away. The busi-

myself unpopular I do it It's my have lacked commercial and name on the line. You don't get a practical experience."

guided tours to learn from the experience. We found at the beginning that the planners had no idea at all what would happen in the enterprise zone. In effect we became the planning authorcomplaints personally."
Merry Hill's success, Mr

the natural operators for land in the Black Country Development Corporation area. Though their approach tends to provoke strong reactions, most who deal with them - even the spurned plan-ners - praise their personal integrity and commitment. They are accepted by the business community as playing a key role in restoring confidence to the

Their financial interests extend to publicly quoted companies, including a couple which they control. Roy Richardson's Stock Exchange ventures reflect the caution of a man who has never risked more than he could afford. He hints that he took gains before last October's crash.

Richardson says, has surprised a lot of people — politicians, the business community, even the twins themselves. "But we're still the same fellows. If some opportunity came up in the next fiva minutes we'd still do whatever we thought was right." The Richardsons believe that their combination of track

Youth education and employment

The search goes on for serious vacancies

have a bewildering set of con- that are not wanted.

flicts to resolve.
In tha first place, they are looking to fit entrants into an industrial economy which is marked by a very large number of small firms. In one borough alone - Sandwell - there are on about 2,500 companies and nearly In the short term, new technol-twice that number of individual ogy makes little difference: the

employers. Few have what the local education authority calls "serious" ery, microprocessors and so on, vacancies – jobs that will carry are in large part using available a training or apprenticeship. Still trained or trainable employees to fewer require the higher skills and qualifications necessary for a In the mid-1990s, however, such sional career.

More than half the graduates Keele, and Warwick) have science or engineering degrees. Where they find jobs is not clear, but it is not predominantly in the West Midlands engineering used to address these problems, industry, where exactly the same in Sandwell, the education workforce comprises unskilled operatives.

To complete redevelopment of We know what the area needs the 200-acre site, the Richardsons better than some of those propose a leisure park, linked to southern-based politicians. We

Where there is already high unemployment, family pressure to leave school early and at least bring in some money - from a job or a "scheme" - increases the reluctance of many to stay

ogy makes little difference: the small businesses which have reequipped with modern machin-

In the mid-1990s, however, such firms are going to be short of staff as the patterns of retirement emerging from the region's four and the effects of the late 1970s universities (Birmingham, Aston, "haby trough" collide. These firms will be complaining if there is a prolonged shortage of educated young people. Several initiatives are being

proportion (51 per cent) of the authority has been looking at the American concept of "compacts", ioneered in Boston nearly a

Training Scheme-style bridges between school and employment, but it is an idea which Mr Ross Maden, industry-schools co-ordin-ator for Sandwell LEA, believes could prove fruitful.

A student on a company bursary, he suggests, would spend four weeks a year with that com-pany on unpaid work experience which might include academic projects, work-shadowing and vocational education. Throughout the period of sponsorship, the company would pay £500 a year for each youngster.

In a discussion paper which has now gone to trade unions, chambers of commerce, and other institutions, Mr Maden argues the case for seeking 500 such bursaries, with an eventual target of

Mr Geoff Brimsdon, director of education, points out that Sand-Common awareness of this is decade ago. The basis of the Bosan obstacle to any educational ton compact was that companies policy that tries to break the trae endowed schools according to programmes: "Many LEAs send ditional mould of leaving school their success in reducing the only their less able youngsters on at the earliest opportunity. If you drop-out rate; in return, the spontinese schemes. We want all ours

trial employees in teaching posts and on the authority itself. It makes much of factory visits and not only to look at products and processes, but people too. "It is very helpful to take chil-

dren to a firm like Lucas or GRN and be met by people who have degrees in classics or English Lit-erature," says Mr Brimsdon. For the last thing be and his colleagues want is an industry-led reformulation of teaching curricpla that excludes non-vocational

"All we want to do, and must do, is to break down barriers," he

While schools like the ones in Sandwell press ahead with work-and business-related activities as an adjunct to their more ortho-dox studies, other authorities and institutions in the West Midlands are facing the same problems with other solutions.

Walsall, also in the Black Country, has just conducted a survey of its employment and training needs. Among its conclu-sions are that significant num-

mgn school.

Sandwell is one of the most undernourished LEAs in Britain, findustry, especially the engineer trial sector.

Adapting this to British circumstances would mean some reappraisal of existing Youth Training Scheme-style bridges training for small firms.

The outsider might conclude that these are statements of the obvious or well-known. But what is well-known is not always what acknowledge and react to facts of is acted upon in a long-term and life that seemed theoretical only explosive area like education. a few years ago. Perhaps it would have been pre-cipitate to have been thinking along these lines, say 10 years ago, even though many did enter-tain these very thoughts well before recession bit in the region.

in the West Midlands, To an extent, that is what Wolverhampton Polytechnic is doing vehicle for selling the fruits and their potential customers.

facilities of higher education to
industry. The unit is designed to

THOSE WHOSE responsibility it know it is going to be hard to get soring firms would offer preferent is to prepare young people in the a job, then better try at 16 than tial consideration to these stuenthused by industry.

Black Country for their first job stay on acquiring qualifications dents when they eventually left "Sandwell is one of the most missing out; that the image of almost every social and industry.

a better chance of achieving this than many colleges which have been grappling with the problems elsewhere in Britain: it is some-times an advantage to be a late starter in these matters, free to

After talking to educationists and representatives of industry, one conclusion clearly emerges. It would be in everyone's interest before recession bit in the region.

What is needed now is a courageous and uncommonly well-researched overview that takes in modities of all the skills, imagications as well as the more urgent needs for lifting the present poor levels of lob connectants. ity to give industry what it so

In the West Midlands, it is a by setting up its Unit for Indus-crying matter that what the trial and Commercial Collabora-schools, colleges and LEAs are so tion, for this is more than a mere good at goes largely passeen by

Jan Breach

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